

Review of the Default Retirement Age: Summary of the stakeholder evidence

by Wendy Sykes, Nick Coleman and Carola Groom

Department for Work and Pensions

Research Report No 675

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A report of research carried out by Independent Social Research on behalf of the Department for Work and Pensions

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The Authors

Wendy Sykes is Director of Independent Social Research. She began her career at the ESRC/SCPR (now NatCen) Survey Methods Centre and since 1988 has worked as an independent researcher mainly for government and other public sector organisations on issues including extending working life and pensions.

Nick Coleman is a former Group Head of BMRB, who has worked on major projects for government. He has specialised in social research for the last 18 years, carrying out and managing surveys on subjects including employment, benefits and welfare, families and children, and skills and learning.

Carola Groom has degrees in law and social policy and has worked for Independent Social Research on projects for government clients across a range of policy areas including pensions and extending working life.

Abbreviations

BIS	Department for Business, Innovation and Skills
CRA	Compulsory Retirement Age
DRA	Default Retirement Age
DWP	Department for Work and Pensions
SEPPP2	Second Survey of Employers' Policies, Practices and Preference

Glossary

The following definitions are specific to this report and in some cases may differ from common usage.

Age regulations	The Employment Equality (Age) Regulations 2006 that made it unlawful to discriminate on the basis of age either in employment or in vocational training.
Bridge employment	Part-time, temporary and/or intermittent jobs either in a previous or a different career area – providing a ‘bridge’ into complete retirement.
Compulsory retirement age (CRA)	The definition of a compulsory retirement age hinges on the employees’ right to continue to be employed. Employers may have an age at which, unless the employer decides otherwise, employees have to retire whether the employee wishes to or not. This is the compulsory retirement age. The important point here is that employees no longer have the right to stay on: it is at management discretion. (Even if a large number of people are allowed to continue after this age, it is still the compulsory retirement age.) This may also be referred to as mandatory retirement age (MRA).

Default Retirement Age (DRA)	The Default Retirement Age was introduced in the Equality (Age) legislation in 2006 and set at 65. It has made employer mandatory retirement ages below 65 unlawful unless, in their particular case, an employer can justify a lower age. Employers do not have to use 65 as a cut-off, they can set a higher age or choose to have no compulsory retirement age at all. In addition, employees now have the right, and a formal procedure, to request the opportunity to work beyond their employer's compulsory retirement age, which employers have an obligation to consider but do not need to give a reason if they refuse the request. This is referred to as the 'right to request'.
Normal retirement age	The age (or age range) over which it is normal for people to retire. This may be determined by an employer's policy or may just be a cultural norm in an organisation or at national level. It is generally linked to employer pension arrangements or to the State Pension Age. It may or may not be the same as the compulsory retirement age. Some employees may continue to work beyond this age.
Normal pension age	The normal pension age is the age used for planning purposes in an occupational pension scheme. It may be possible to draw a pension before this, or continue to accrue afterwards, but this age is used for planning, and may influence employers' perceptions of normal expected retirement age.
Right to request	See Default Retirement Age (DRA).
SEPPP2	Second Survey of Employers' Policies, Practices and Preferences carried out in 2009.
State Pension Age (SPA)	The age when people are eligible to receive their state pension and related state benefits.

Summary

The Review of the DRA

In 2009, a review was announced of the Default Retirement Age (DRA), first introduced in 2006 as part of the Employment Equality (Age) Regulations. Under the DRA, employer compulsory retirement ages below 65 became unlawful except in cases where it could be justified. The purpose of the Review was to determine the future of the DRA; to retain it as it is, raise it or remove it altogether.

Call for stakeholder evidence

As part of the Review, external stakeholders were invited by the Departments for Work and Pensions (DWP) and Business, Innovation and Skills (BIS) to submit evidence, especially in relation to how the DRA operates in practice; the reasons why businesses use mandatory retirement ages, the potential impacts on business, individuals and the economy of raising or removing the DRA, the experiences of businesses operating without a DRA, and how the costs of changing the status quo could be offset and the benefits realised.

Twenty-three stakeholder organisations and academics submitted evidence including age and equality champions (7), business and employer associations (6), professional bodies/associations (2), individual businesses (4), trade unions (2) and academics and others (2). Individuals also responded to the call for evidence, but their submissions were considered separately.

Organisations who responded to the call were self-selected and their submissions did not always provide representative coverage of the evidence, however the report does provide a good insight into stakeholder opinion as well as evidence on specific issues.

Stakeholder views and opinions about the DRA

The material sent in by stakeholders was summarised systematically in two parts, with views and opinions about the DRA dealt with separately from any research or other evidence provided in support of them.

The views of most stakeholders drew on tacit knowledge of their key constituencies. There was considerable variation between them, with just under one-third in favour of retaining the DRA, just under a half in favour of removing it altogether and the remainder neutral or not explicit on this central question. Most stakeholders were of the view that if the DRA is retained it must be raised at least in line with State Pension Age (SPA), to reflect changes in life expectancy and the needs of pension schemes.

Arguments in favour of the DRA

Arguments in favour of a DRA were made mostly by employer organisations and businesses, and overlapped to some degree. Key among them were that:

- businesses need certainty and the ability to plan, which the DRA provides;
- the DRA provides a framework for decision making when an employee is approaching retirement;
- it offers employers the opportunity to reject requests to work on if necessary as well as to find acceptable responses to requests to work on;
- without the DRA, the use of less 'acceptable' methods of managing older workers out of the workforce would rise;
- the DRA makes space and opportunities for younger employees;
- changes to the current situation would place new regulatory burdens on businesses;
- ending the DRA would increase uncertainty about employers' obligations in certain areas, e.g. the accrual of pensions, and increase the cost of providing certain benefits such as permanent health insurance.

Arguments against the DRA

The main arguments against the DRA were that:

- the DRA is discriminatory because it allows workers to be retired on age grounds alone, and that discrimination extends also to people in the run up to retirement who are passed over for promotion or training;
- it runs counter to the Government's own social policy objectives in relation to extending working life;
- it is being used as an excuse to shed jobs during the economic downturn;
- ending it will reduce the red tape and bureaucracy associated with it;
- ending it will also bring employment security to many, enabling them to save longer for retirement;
- ending it will have diffuse benefits such as an expanded labour market, better health among older people and reduced welfare costs, increased spending power injected into the economy.

Research and other evidence from stakeholders

Forty-eight pieces of research and other evidence were provided by stakeholders, although there was greater coverage of some issues relevant to the Review of the DRA than there was of others. For example more evidence was supplied about what employers and employees think and feel about various topics than about the actual impacts of the DRA or the likely effect of changes to the current situation.

Main findings from the stakeholder evidence

Main findings from research and other evidence are summarised below as follows:

- public awareness of the DRA and the 'right to request' increases with age;
- larger businesses tend to have a compulsory retirement age (CRA) but this is less common among smaller businesses. Those with a CRA are likely to cite as reasons the need for a framework for succession planning, while those without tend to cite the importance of retaining experienced staff and promoting diversity;
- evidence from employers suggests the majority of requests to stay on are accepted (80 per cent plus) and that in various sectors employers tend to be resistant to the removal of the DRA;
- across the submitted evidence, a percentage of employees (four per cent or more depending on the target population and the time span covered) was found to have been forced to stop working earlier than they would have liked. More generally, the evidence indicates a range of attitudes to continuing in work, though a number of pieces of evidence show public support for the principle of employees having the choice to work on if they want;
- the current DRA legislation is perceived as having a positive impact for some employers who believe it provides greater certainty and lower cost, but a negative impact on some employees, e.g. those entering a profession later in life;
- evidence indicates that some employers fear the negative impacts of raising or removing the DRA, while others see positive benefits;
- some evidence suggests that there is no general difference in performance between workers of different age groups while other evidence suggests that some older workers can experience discrimination. The proportion of people working above SPA has risen in recent years, although analysis of exits from the labour market shows an increasing number in part-time or temporary work.

1 Introduction

This report summarises evidence submitted to the Review of the DRA by external stakeholder organisations and academics¹. It has been prepared by Independent Social Research, on behalf of DWP and BIS. The report does not draw conclusions about the DRA, make policy recommendations or pre-empt any decisions that may be made about the future direction of policy.

1.1 Background

1.1.1 The Review of the DRA

The DRA was introduced as part of regulations brought into force in 2006 that made it illegal to discriminate on the basis of age either in employment or in vocational training (the Age Regulations)². Under the DRA, employer mandatory retirement ages below 65 became unlawful without acceptable justification. Employers were obliged therefore either to adopt the DRA of 65, set a higher mandatory retirement age or choose to have no CRA. The Age Regulations also required employers operating a CRA to give employees written notice at least six months, and no earlier than 12 months, in advance of them reaching that age. Employees were granted the right to request to work beyond it and employers were obliged to consider any such request.

When the DRA was introduced, a review was planned that would take place after a period of its operation to determine the future of the DRA (i.e. whether to retain it as it is, raise or remove it). The decision to bring forward the Review was announced in the 2009 Government strategy *Building a society for all ages*. The evidence described in this report forms one strand in an evidence-gathering exercise commissioned by DWP/BIS to inform the Review, see Figure 1.1³:

¹ Contributions from individuals who also responded to the invitation to submit evidence are summarised separately (available on request from BIS).

² The Employment Equality (Age) Regulations 2006.

³ Separate reports have been prepared for each of the other strands in the evidence-gathering exercise.

Figure 1.1 Evidence gathering commissioned for the Review of the DRA



1.1.2 The call for external evidence

In October 2009 DWP/BIS invited businesses and interested individuals to submit evidence to the Review of the DRA, especially in relation to the following:

- how the DRA operates in practice;
- reasons why businesses use mandatory retirement ages;
- potential impacts on businesses, individuals and the economy of raising or removing the DRA;
- experiences of businesses operating without a DRA;
- how any costs of raising or removing the DRA could be mitigated and benefits realised.

1.1.3 Response to the call

By the closing date of 1 February 2010, over 200 responses had been received from both individuals and organisations. All of these were examined and their contents considered. Submissions from 23 stakeholder organisations and academics that contained substantial research and/or other evidence pertinent to the Review were then forwarded for independent analysis. These included contributions from:

Seven age and equality champions and organisations;

- six business and employer associations;
- two professional bodies/associations;
- four individual businesses;
- two trade unions;
- two academics and others;
- two academics and others.

1.1.4 The material submitted

Documents received from the above stakeholders included:

- letters, papers and reports prepared by stakeholders especially for the Review, including statements of views and opinions and the results of research (e.g. surveys of members) relating specifically to the DRA;
- copies of and references to other research considered to be of relevance to the subject;
- press releases and other publicity material;
- sundry other material – in one case witness statements made in 2006 as part of an application brought by one stakeholder for a judicial review of DRA legislation.

Submissions varied in length from a few pages to many volumes, and there was also variation in content with each stakeholder tending to focus on a few specific issues rather than all of the topics set out in the call for evidence.

1.2 Method used to process submissions

Submissions from stakeholders were processed systematically using an analysis framework developed in collaboration with DWP/BIS. This separated the key views and opinions of stakeholders – their ‘take’ on the DRA and future policy concerning it – from the research or other evidence they adduced to support those views or to shed a more general light on the subject. In addition, for each piece of **evidence** submitted, key findings were summarised under topic headings agreed with DWP/BIS and other research teams gathering evidence for the Review. The relevance of submitted evidence and its quality and robustness varied considerably. Where

they were found to be less robust this was to some extent due to the fact that a number of surveys were put together at short notice for the purpose of the Review and tended to be based on narrowly defined target populations (e.g. members' surveys).

The results of the analysis of stakeholder views and opinion and the evidence they submitted alongside are described in the next two chapters.

2 Stakeholder views and opinions

2.1 Introduction

This chapter provides an overview of the views and opinions of the diverse range of stakeholders who responded to the call for evidence. Submissions on the whole made explicit the policy concerns and preferences of stakeholders, reflecting their individual principles, interests and values. There was considerable variation in the extent to which stakeholders had assembled a clear scaffolding of evidence to support their views. Most drew on considerable tacit knowledge about their constituencies – for example, the practices, experiences or views of members, employees, employers or older people.

The remainder of this chapter focuses only on the views and opinions expressed by stakeholders, and not the evidence they also supplied to the Review which is covered in detail in Chapter 3.

2.2 Summary of views and opinions

To summarise the overall position on the DRA of the 23 stakeholders included in this analysis:

- seven were in favour of keeping the DRA (with possible modifications, especially raising the age);
- ten were in favour of removing it altogether;
- six were neutral or not explicit on this central question.

These figures cannot be taken as representative of the spread of views more widely in the target population since the call for evidence was not issued to a representative sample of stakeholders or responses systematically pursued. Stakeholders who responded were those who were most interested in doing so and/or who were able to in the time available. However, they do indicate in each case the number of stakeholders who supplied arguments – described in the following sections – to explain their views.

2.2.1 Views in favour of a DRA

Arguments for the retention of a DRA were made mainly by employer organisations and businesses. Most of these stakeholders said they valued older workers and argued that the DRA has benefits for employees as well as employers. Main arguments put forward by stakeholders in support of the DRA fell into one or other of the following overlapping categories:

- Businesses need certainty, and the ability to plan. A DRA at any age was seen by some stakeholders to be useful to workforce, and especially succession planning, including the determination of hiring and training needs. A business organisation claimed that ending the DRA would harm businesses' ability to plan since *'without a DRA, our members would not have a clear picture of their hiring and training needs'*.
- A DRA acts as a catalyst and/or a framework for employer/employee discussions about retirement or further employment plans. It was argued that the DRA provides a framework for decision-making about working on in some form versus retirement. The current system plus encouragement to work on through the right to request was seen by some to offer flexibility for both employer and employee.
- The DRA was also regarded as offering the opportunity to find acceptable responses to requests to work on, but to reject them if necessary. One employer organisation argued that in the vast majority of cases mutually acceptable outcomes are reached that enable workers to carry on full- or part-time.
- In the opinion of some stakeholders, without a DRA the use of other (less acceptable) means of 'managing' older workers out of the workforce would have to rise. The DRA was felt to provide a dignified exit from the workforce; *'older employees can exit the workforce with dignity instead of being managed out on performance or health grounds'*. It is *'the most appropriate way to settle disputes between employer and employee in relation to the timing of leaving the workforce'* (individual business). One employer organisation said ending the DRA would require an increase in alternative methods of dismissal and so be *'a barrier to older workers ending their working lives with dignity'*; while a business organisation warned of more uncertainty and *'strained relations'*. Concerns were expressed by several stakeholders about possible increases in costly performance-related dismissals, redundancy or ill-health retirements. One business saw performance dismissal as hard to justify, and frequently a long and unpleasant process; a suggested alternative would be to terminate employment on performance grounds on payment of six months' average pay. An employers' organisation said they would support ending the DRA if provisions were in place to protect small businesses from possible increases in the number of employment tribunals.

- One business put forward the view that the DRA provides opportunities for younger employees, and reduces the need for compulsory redundancies.
- Some argued that businesses are already over-burdened with regulatory change and any change to DRA legislation – which works well – will add to this. One business organisation itemised planned regulatory change already announced for the next few years that they asserted will affect business and add to costs, and called for a moratorium on UK-only market regulation. An employer organisation saw no reason to change the current framework which it said '*works well*', including for those who want to work past 65, and another business organisation said that abandoning a workable, stable structure' risks 'significant and counter-productive consequences.
- The view that the DRA protects businesses against problems that some may associate with older workers was implied in some submissions. Few stakeholders alluded overtly to there being any issue of poor performance by older workers working on beyond the current DRA, but two employer organisations and one individual business expressed fears about older employees' health problems and about health and safety issues. One business thought some employers would be concerned about adverse publicity if terminating employment on performance or health grounds. Consequently, they argued for a DRA as low as possible.
- Ending the DRA was seen by some as likely to increase existing uncertainty about employers' obligations, for example regarding the accrual of pension and death benefits after flexible retirement; and to increase the cost of providing benefits such as private medical insurance and permanent health insurance – though this would be offset if employers were permitted to set an age limit of 65 for the benefits (points made by an individual business).
- Finally, two individual businesses raised concerns about possible increased costs to employers who provide group risk benefit such as group income protection insurance. Though the actual increased costs cannot be calculated in advance, they fear a point will be reached where such benefits are no longer offered '*leaving people to rely solely on the State*'. They seek specific permission in any new regime for a maximum age to be set for risk benefits.

2.2.2 Views against a DRA

Stakeholders who were against having a DRA included a mix of employer organisations, age champions and trades union bodies. They raised a variety of arguments based both on points of principle and on alternative economic and business arguments to those already outlined.

The main points made were as follows:

- The DRA is discriminatory. A number of stakeholders forcibly made the point that a DRA is discriminatory because it allows workers to be retired on grounds of age alone, irrespective of performance. One employer organisation called the DRA *'socially unjust, economically indefensible and potentially legally discriminatory'* and the legal validity of the DRA was also called into question by age and equality organisations⁴. An employee representative organisation said workers ought not to be forced out of employment at age 65, or indeed any age, irrespective of their ability to do the work. Another stakeholder said that the DRA is both discriminatory in its own right and encourages more widespread discriminatory outlook and practices:

'If the state expresses ageism in the way it shapes the law, we can hardly be surprised if employers adopt ageism as a mind set and apply it at their own convenience.'

(Age and equality organisation)

Another employee representative organisation stated that the lack of any possibility of complaining about being forcibly retired aged 65, or to demand reasons, compounds the impression of discrimination: the DRA *'calls into question the Government's commitment to eliminating age discrimination from the workplace'*.

- An age and equality organisation expressed the view that the DRA affects attitudes and workplace culture towards those in their 40s and 50s. An employee representative organisation stated that workers who are approaching or who have reached the age of 65 are being 'passed up' for promotion and routinely miss out on training opportunities. The particular provision allowing employers to refuse employment, on the grounds of age alone, to anyone within six months of their 65th birthday was mentioned by another age and equality organisation as allegedly having a knock on effect on those even in their 50s seeking work. Yet another summarised the view: *'structural barriers and outdated stereotypes are forcing people out of work early'*.
- Several submissions challenged the argument that mandatory retirement is a better and more dignified option than performance dismissal, for someone who is seen as no longer 'up to the job':

'Regular appraisals are designed to identify and address poor performance in employees of all ages. The Default Retirement Age should not be used as a convenient proxy for performance management.'

(Employer organisation)

⁴ The DRA was subject to judicial review. In September 2009, the High Court found that it was objectively justified at the time of its introduction and is therefore lawful.

This was echoed by a trade union, a professional body, and an age and equality organisation who said employer responses were based on the premise that any move away from current practice would have a negative impact on business operations. An employer organisation said the argument that the DRA allows people to leave work with dignity (without being dismissed for poor performance) is paternalistic, and that none of the employers who operate without a retirement age (in their evidence) have faced the situation of having to make additional performance-related dismissals. An age and equality organisation said that at best the argument about dignity, in this context, *'is a self-serving one'* and referred to various of their case studies in asserting that the process of being made to retire against one's wishes is not *'dignified'*.

- Three submissions stated the view that stricter enforcement of retirement ages is being used in the downturn to shed jobs (a professional body, an employer organisation and an employee representative organisation).
- Several stakeholders offered counter arguments to the point that certainty over retirement age is needed for succession planning. An employer organisation was among those who argued that the workforce planning argument is not sound because the average age for stopping work is below the DRA. An employee representative organisation said:

'In practice workers are constantly moving on, retiring early, taking career breaks then returning and staying in work beyond the age at which they had originally planned to retire. The idea that once employers know when workers will retire, they can plan on the basis that everyone will stay on till that date is unrealistic and unworkable.'

- Some stakeholders criticised the operation of the right to request (to work beyond an employer's retirement age). One age and equality organisation said the right to request is frequently *'a sham, with many employers operating a blanket policy of refusing requests'*. Another stated that the employer's duty to consider requests *'is a poor instrument for balancing the interests and needs of individuals against those of employers'* while an academic submission argued that because the duty to consider is a procedural duty only there is little incentive for employers to change their retirement policies.

An age and equality organisation said the complexity of the current rules (for effecting mandatory retirement) means employers do not always follow the correct procedure. Ending the DRA would therefore reduce red tape. One individual business, though generally supportive of a DRA, agreed the process was too bureaucratic and suggested a revised focus on principles rather than procedure to help reduce the administrative burden on employers.

- Several submissions expressed in some way the view that the removal of the DRA would be beneficial simply in terms of the general good of non-discrimination:

'Abolishing the national Default Retirement Age would simply give older workers the same rights as employees of other ages. This would balance an employee's expectation of job security and an employer's right to dismiss on grounds such as capability and conduct.'

(Employer organisation)

- An age and equality organisation said ending the DRA would give employment security to hundreds of thousands of people and enable them to save longer for retirement; failing that, raising it substantially above the SPA would reduce the numbers suffering the discriminatory impact.
- Several age and equality organisations said the DRA has hampered the Government's own wider social policy aims among businesses in relation to extending working life; removing it would therefore serve these aims.
- Employee representative organisations and an equality organisation said ending the DRA would be an incentive to boost flexible working arrangements.

'Removing the 'safety net' for employers...would encourage a more proactive approach to tackling the barriers to employment that older people face, caused by stereotyping, inflexibility or simply lack of imagination about how work could be organised differently, and promote a less ageist society.'

(Employee representative organisation)

- A professional body said in referring to the removal of the CRA in the Civil Service that this was evidence that managing without a DRA is possible and desirable.
- Age and equality organisations made broad predictions of diffuse benefits to the economy as a whole from ending the DRA: an expanded labour market, increased output, better health among older people and reduced welfare costs, increased spending power injecting cash into the economy. An employee representative organisation referred to reduced staff turnover as a direct benefit to employers. Forecast skills shortages were mentioned as a reason to encourage more people to work on, and to stop forcing experienced older workers to retire, by an employee representative organisation and an equality organisation.

2.2.3 Other views about the DRA

- There was majority consensus that if the DRA is **retained** it must be raised: to bring it 'up to date' and reflect changes in life expectancy (an employer organisation); to reflect the needs of pension schemes (an employer organisation); in line with the SPA (another employer organisation); at least in step with the SPA (an age and equality organisation). Another age and equality organisation said it must

be raised substantially over SPA if it is retained at all. One professional body said it should be retained as a fall back for employers, but gradually increased. Another employer organisation said it could not remain at 65 forever, but should follow the SPA.

- Some arguments were made for new exemptions, if the DRA is ended: for example, from accusations of ageism if employers raise the question of bridge employment or retirement with an employee (an individual business) or offer flexible arrangements or benefits only to older workers (two individual businesses). One business urged that guidance be given on flexible benefits, in order to encourage employers to offer such schemes. An employer organisation said they were concerned (about) the opaque legal obstacles encountered in seeking to establish formal flexible retirement policies.

An individual business also suggested *'expressly permitting employers to monitor the health and performance of employees over a particular age and apply different performance criteria to such employees where appropriate'*.

Two individual businesses suggested industry or sector exemptions to the Age Regulations; that is, if the DRA is ended generally, certain industries or sectors should be expressly allowed to retain compulsory retirement policies. They also asked that in those circumstances guidance should be given on contractual retirement age norms that would be likely to be deemed acceptable in different industries or sectors.

2.2.4 Views on employment issues and older workers

Many views and opinions were submitted by stakeholders that are relevant to the issue of older workers in employment, but do not directly impact on the specific question of ending or retaining the DRA. They are summarised here because they help to illuminate the context for the policy debate.

- Some submissions stated that many employees want to work past 65 – one of the professional bodies for example – though it is hard to quantify. An equality organisation stated that 'most' older workers:

'...do not want to slow down, many want job promotions and others wish to work well beyond the State Pension Age...There is a need to address the chronic under-employment, low-paid employment and low income experienced by older Britons'.

The same organisation also thought that older workers want to stay with their current employers if they can and that financial necessity is the most important reason why they want to continue working.

- There was a widespread view that the economy needs people to work on in greater numbers, mainly because of current demographic trends (the ageing population) and the 'pensions crisis' (stakeholders of all categories). An age and equality organisation cited the Turner Commission's conclusion that more older people working would ease the pensions crisis.

Those in favour of **removing** the DRA consequently argued for it as an economic necessity (an employee representative body), saying that the UK '*can no longer afford*' a '*culture of early retirement*' (an employer organisation). Those in favour of **retaining** a DRA – for example a different employer organisation – said more could be done to promote longer working within the current system, by raising the DRA in line with the SPA (which) would help to finance more generous state basic pension provision whilst making individuals' pension pots more sustainable once they retire.

- Though they want the DRA retained, another employer organisation maintained that businesses in general value the skills of older workers and are mainly concerned to employ the best person for the job. They called for more initiatives to encourage older workers to apply for vacancies and to help retrain older workers and improve their confidence. Another employer organisation claimed that small businesses in particular have a '*generally positive attitude*' towards older workers and are more likely than large businesses to have older employees.
- The general tenor of one professional body's submission was that most people should have no difficulty working on after 65: '*In most jobs extended employment can be advocated on the basis of effective performance of older workers*'. An employers organisation agreed that research shows it is not proven that the productivity of older workers goes into decline '*and [this view] will usually be groundless if older workers are offered suitable opportunities, training and motivation*'.
- Many submissions stressed that encouraging people to work past the age of 65 requires flexible approaches to meet needs that are particularly prevalent among older workers:

'A flexible and holistic approach, addressing individuals' needs according to their own experiences and circumstances...should be taken when looking at the time or pace at which people retire.'

(Age and equality organisation)

Another age and equality organisation called for retirement to be more of a process than an abrupt event, for example involving a move to part-time work as a prelude to retirement. Another equality organisation thought that flexible working would be helpful in accommodating the caring responsibilities and health needs of some older workers. A professional body called for bridge employment to be positively encouraged through financial, legal and cultural changes '*especially for less educated and non-professional people*'; who their evidence suggested currently have fewest choices in this respect. An employee representative organisation

called for more adaptations to the workplace and to jobs to realise the potential of older workers. Employee representative organisations singled out for praise those major employers who have replaced mandatory retirement with flexible retirement policies, or are in the process of doing so. The NHS and Civil Service were cited as examples:

'There is no doubt that the partial retirement route has proved successful and several thousand civil servants have availed themselves of this opportunity.'

(Employee representative organisation)

The scheme is also argued to have brought positive changes to the Civil Service pension provision for many employees. An individual business, though against the ending of the DRA, also made recommendations to help foster flexible approaches and enable longer working:

'We suggest including express provisions in the age discrimination legislation to permit employers to offer [flexible working] arrangements exclusively to older employees. This could be combined with an obligation to make reasonable adjustments for employees over a certain age...We suggest the DWP provides support and guidance for workplace health schemes to encourage employers to implement such schemes. This could take the form of funding or tax incentives to implement such schemes.'

(Individual business)

3 The submitted research evidence

3.1 Introduction

This chapter examines the 48 pieces of research evidence provided by the 23 stakeholders in their submissions to the Review. It begins with a brief description of the evidence supplied, and continues with a summary of the findings.

3.1.1 Coverage of the evidence

Coverage

Figure 3.1 shows which topics were addressed by the evidence submitted by stakeholders, and which of those topics received most and least attention in the submissions⁵. Coverage was patchy across the headings, with more evidence on attitudes and views (employers' and individuals) than for example on the actual impacts of the DRA and the likely impacts of changes to the current situation.

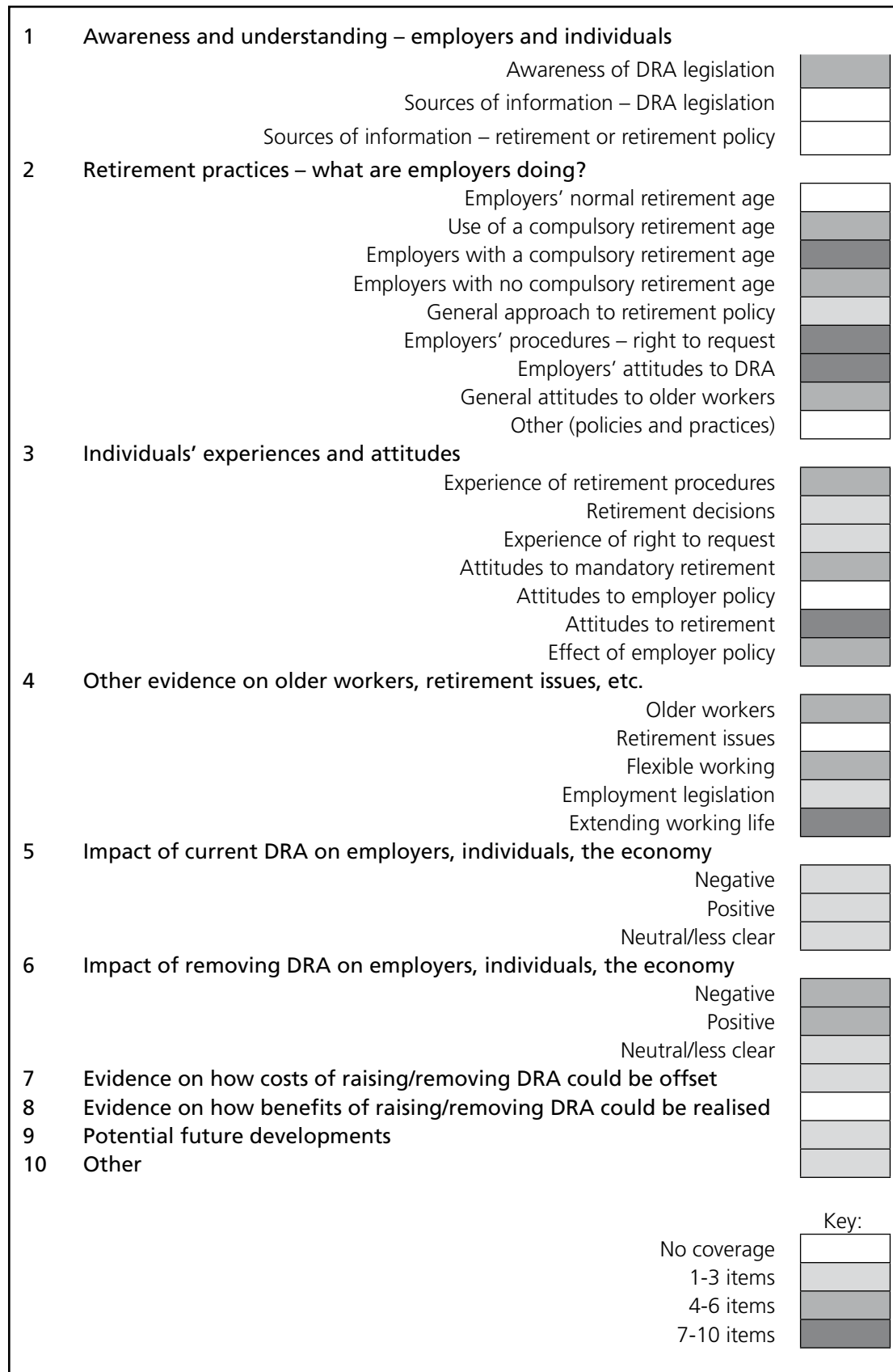
There were scant submissions under the heading of awareness and understanding. A small amount of evidence covered awareness of the DRA in general, but there were no items relating to what sources of information about the DRA, or to inform decisions on retirement or retirement policy, are used by individuals or by employers. This is potentially an important gap since the difficulty of keeping abreast of regulatory requirements is often raised by and on behalf of employers and may be linked to how they received notification and advice about the DRA, the quality of those sources and how helpful they found them in formulating policies and practices.

Much of the total evidence received came under the heading of retirement practices – what employers are actually doing – especially for example, in relation

⁵ The topic headings were agreed with DWP/BIS and research teams working on the other strands of evidence feeding into the Review and included, among others, the topics mentioned in the call for evidence (see Figure 3.1).

to employers with and without a compulsory retirement and the use of a CRA in general; procedures for handling employees' right to request; employers' attitudes to the DRA; and attitudes to older workers. No evidence was provided about employers' 'normal retirement age' – the de facto age at which most people in an organisation retire from their job.

Figure 3.1 Spread of evidence submitted to the Review



Under individuals' experiences and attitudes, the main coverage was on attitudes to retirement and mandatory retirement, and experience of retirement procedures. There was little relating to retirement decisions, the effect of employer policy and the right to request, and none on attitudes to employer policy.

Other evidence on older workers, retirement issues, etc. included items about extending working life, flexible working, older workers and employment legislation that contribute to the wider context of the Review: for example, the growing perception that people will work for longer in the future and employers will increasingly need to offer more flexible working arrangements.

Evidence was notably thin on the impacts of the current DRA, although there were a small number of submissions detailing beliefs and expectations about the likely impacts of raising or removing it. And there was also a marked lack of submitted evidence on how the costs of raising or removing the DRA could be offset or the benefits realised.

3.2 Summary of findings from the evidence

The remainder of this chapter describes the findings from stakeholder evidence, organised according to the main topic headings already shown in Figure 3.1. The text that follows includes bracketed figures after each piece of evidence; these figures reference the full list of evidence, included in the Appendix. Recent evidence from other sources is also included selectively (see the text boxes), for example to emphasise where stakeholder evidence is consistent or at odds with research commissioned by DWP and BIS. These other sources are set out in the References.

3.2.1 Awareness and understanding

Only three pieces of stakeholder evidence covered awareness and understanding of DRA legislation; and in each case only some limited part of the picture.

In a survey of 1,500 people aged 50-75 carried out by the Policy Studies Institute in 2009 on behalf of the Equality and Human Rights Commission (EHRC), 78 per cent of respondents demonstrated some or full awareness of the right to request working on beyond 'normal retirement age' (12a). In 2007, 40 per cent of adults in Northern Ireland (in an Equality Commission Northern Ireland (ECNI) survey of 1,000 respondents) said they were aware of the DRA and were able to specify it as 65 (19a). These surveys cover different populations, and in particular, different age groups. However, as awareness of retirement issues increases with age, these findings show a pattern that is reasonably consistent with the other source of evidence for adults shown opposite.

Recent evidence from other sources: According to the recent Attitudes to Pensions Survey conducted in 2009, 89 per cent of adults aged 55-64 and 87 per cent of those aged 65-69 were aware of the right to request working beyond 65.

In a Second Survey of Employers' Policies, Practices and Preferences relating to age (SEPPP2) carried out in 2009, which excludes employers with fewer than five employees, 66 per cent of establishments felt they understood the Employment Equality (Age) Regulations quite or very well, and 33 per cent indicated that they did not feel they understood the regulations well. In the same survey, when asked about sources of legislation information, 25 per cent of establishments used Head Office/Internal sources, 22 per cent used Government and other public sector sources, 18 per cent used general business sources (e.g. the Confederation of British Industry (CBI), trade journals), 16 per cent used legal advisers, 15 per cent other professionals (e.g. accountants), 14 per cent used professional human resources (HR) journals and 46 per cent used non-specific sources (e.g. word of mouth, other internet sources); note that these answers were multiple responses so proportions represent whether they were mentioned or not.

Among **employers**, the Federation of Small Businesses (FSB) stated, on the basis of responses to open-ended questions on a survey among 400 member employers with fewer than ten staff (in 2009/10), that they suspected some confusion among respondents – especially those with fewer than five employees – about the DRA and how it differs from State Pension Age (SPA) (18).

Key points: public awareness of the DRA and right to request increases with age. There is little evidence from submissions other than in overall awareness amongst the public and small businesses.

3.2.2 Employers' retirement practices

Compulsory retirement age

A consistent pattern in the proportion of businesses operating a CRA was found across six studies submitted by stakeholders; the majority (70-90 per cent) had a CRA, generally set at 65.

Thus, a self-completion survey of 198 HR professionals undertaken by the Employers Forum on Age (EFA) and The Age and Employment Network (TAEN) in 2009 found that 85 per cent of respondents had a mandatory retirement age and of those 98 per cent set it at 65 – mainly covering all employees (21f)

Twenty-nine out of 33 respondents to a postal survey carried out by the Engineering Employers Federation of Northern Ireland (EEF NI) in 2009/10 among their members said they had a CRA (16).

In an on-line survey of 200 employers sampled from their mailing list of HR professionals and in-house lawyers in 2009, Eversheds found that 84 per cent of employers had a fixed retirement age at which they normally require people to retire (subject to an employee's right to stay longer); 12 per cent said that retirement age was on a case by case basis and four per cent that they had a policy of not retiring employees at any age. Of those with a CRA, all but two had set it at 65 (8).

Seventy per cent of businesses in a survey of 104 HR professionals carried out for Age Concern and Help the Aged (Age UK) in 2009 had set a CRA (17).

According to surveys covering 88 local authorities (LAs) carried out by the Local Government Employers (LGE) between 2008 and 2010, 92 per cent of LAs use a CRA (described in the submission as 'normal retirement age'), in the vast majority of cases set at 65. Seventeen per cent of LAs reported having changed their policy as a result of the DRA regulations (15a).

Of the 25 businesses consulted by Foot Anstey, 87 per cent currently operate a DRA of 65 (23). While the findings discussed above are skewed towards larger employers, results from the FSB indicate a different pattern among very small businesses. Of the 100 respondents to an FSB survey of businesses employing ten or fewer staff (most of which had fewer than five employees) in 2009/10, 81 per cent said they did not have a CRA (the survey asked if they had a 'retirement age'). The FSB submission states that small businesses are less likely to have a CRA and more likely to feel that retirement should be a mutual decision between employer and employee (18).

A recent survey (noted below) covered all employers with five or more employees, and therefore gives a more complete picture than the pieces of evidence described above (which focus either on larger or smaller employers and furthermore may not be fully representative of those groups).

Recent evidence from other sources: According to SEPPP2 carried out in 2009, which excludes employers with fewer than five employees, 32 per cent of employers have a CRA and 62 per cent do not. In the same survey, one per cent of businesses said they had introduced a CRA as a result of regulations, and the same proportion (one per cent) had got rid of their CRA as a result of the regulations, while four per cent had changed their retirement age.

Reasons for having a compulsory retirement age

External stakeholder evidence provided a rich seam of reasons why employers operate a CRA, expanding on those given by respondents to SEPPP2 (see the next text box). Key reasons from the stakeholder evidence included:

- managing out older workers;
- a trigger for discussion about retirement/working on;

- succession planning;
- consistency/management of expectation;
- link to pension benefits;
- a 'dignified exit' from the workplace;
- capability and health of older workers;
- cost of benefits/redundancy;
- tradition (have always had a CRA).

A fuller description of the evidence follows.

A literature review by Matt Flynn found that employers often favour a CRA because of concern about how older workers with declining capabilities can best be managed out of the workforce. In secondary analysis of qualitative interviews with 70 employers carried out in 2006, Flynn found that when the Age Regulations were proposed, employers were concerned as to whether ordinary HR systems would be robust enough to deal with this issue without the aid of a mandatory retirement age to fall back on.

'Most managers interviewed saw a strong case for considering requests from employees to delay retirement, but few felt that people over 65 should have an automatic right to stay in work.' (2a)

In a postal survey of 499 Engineering Employers Federation (EEF) members (in 2009), one of the main reasons given for supporting a DRA of 65 was that respondents felt this right provides a useful trigger for them to discuss future employment/retirement plans with their employees. (3)

Reasons provided by the small number of respondents in a survey of FSB employers with ten or fewer staff (in 2009/10) who reported having a mandatory retirement age were: because the Government set a DRA; and in case of problems retiring a member of staff who doesn't want to leave (18).

The most common reasons for using a CRA cited by respondents in a survey conducted by Eversheds (an on-line survey in 2009 among 200 employers sampled from their mailing list of HR professionals and in-house lawyers) were: to help with workforce planning (59 per cent); because they have always had a retirement age (57 per cent); to tie in with pension benefits (50 per cent); to aid the career development of other workers (40 per cent); because of concerns about capability declining with age (31 per cent) (8).

In a survey of 88 local authorities between 2008 and 2010 carried out by the LGE, reasons given for having a CRA were to enable employees to plan a controlled exit from working life (58 respondents) and to assist the organisation in workforce planning and career development (55 respondents); other respondents said it was

to be in line with the Age Regulations (41 respondents); to tie in with pension benefits (31); or because the organisation has always had a retirement age (31 respondents) (15a).

Asked why they want to retain the ability to compulsorily retire employees at age 65, verbatim comments provided by the 33 respondents to a postal survey of EEF NI members (2009/10) reported the advantage of being able to work together with the employee to make a retirement decision; of providing consistency and standardisation in the workplace; of providing an appropriate mechanism to review capability; and of helping workforce planning (16).

A survey of 198 HR professionals undertaken by EFA and TAEN in 2009 found that: 81 per cent of respondents thought mandatory retirement age helped with succession planning; 80 per cent thought it helped make way for younger people; 47 per cent thought it made it easier to remove underperforming employees without recourse to disciplinary or competency procedures (9a).

A survey of 25 business clients carried out by Foot Anstey found that employers thought the existence of a DRA currently permits older employees to exit the workforce with dignity rather than being managed out on performance or health grounds (23).

The advantages of retaining the DRA identified by 30 participants in employer focus groups conducted by EFA in 2009 (all employers still using the DRA) were: more certainty in manpower planning; enables succession planning and career development for younger staff; no need to performance manage older staff; employees like to retire; reduces likelihood of having to deal with age-related disability and ill-health; avoids likely increase in cost of benefits for those aged 65+; avoids higher redundancy costs; consistent process to deal with expectations on both sides (21a).

Recent evidence from other sources: According to SEPPP2 carried out in 2009, 35 per cent of employers with a CRA cited historical reasons, 28 per cent legal reasons, 28 per cent business reasons, and 13 per cent cited that it is kinder/easier than dismissal.

Reasons for not having a compulsory retirement age

Stakeholder evidence also helped to illuminate reasons for not having a compulsory retirement age, the key ones being:

- retaining valuable experience, skills and people;
- keeping retirement a matter for negotiation;
- no need for a CRA because retirement is not a common issue;
- improving morale;
- promoting diversity;
- public relations.

Reasons for not having a mandatory retirement age given by small employers (ten or fewer staff) who responded to the FSB survey of 400 members in 2009/10 include: that retirement should be a matter for negotiation in small businesses; older workers are valued; the issue of retirement has not yet arisen and therefore there are no formal procedures (18).

The reasons for removing a CRA cited by seven respondents in surveys of LAs carried out by the LGE in 2009 were related to business objectives and the values of the organisation and included retaining experience and reflecting the diverse nature of the authorities' communities (15a and 15b).

A survey of 198 HR professionals undertaken by TAEN and EFA in 2009 found that among those respondents (29) who had removed the mandatory retirement age, 27 had done so as a result of a formal policy decision within the organisation. In 21 of these there had been no resistance to the change; and 21 felt it had been a positive step for their organisation. Benefits were seen to be maintenance of valuable skills (23 out of 27); keeping valued people (19 out of 27); improved morale (14 out of 27); and improving customer-facing image (11 out of 27). Over two-thirds of respondents who had removed mandatory retirement age said it had not caused difficulties in any of the following areas: succession planning; lack of headroom for younger people; decline in performance; managing underperforming employees; adverse impact on organisation image. Of 28 respondents who had removed mandatory retirement age, 82 per cent said only a few who reached 65 choose to stay on (9a).

Case studies of major employers operating without a CRA were supplied by EFA. Companies reported the effects of/realised reasons for removing the CRA, including:

- more older workers (over 50 and over 65) employed and no difficulties experienced (Nationwide);
- reduced costs as retirements are spread and more choice and control for employees (DWP);
- no higher levels of sickness among employees over 65, no succession planning issues, positive feedback from customers (21c).

Employer handling of right to request

Stakeholder evidence on employer handling of the right to request showed some consistent patterns, with the majority of such requests – more than 80 per cent – reported as being accepted (this is in line with the recent evidence from SEPPP2 cited in the text box overleaf).

Respondents to an EEF postal survey with 499 respondents in 2009 said that around half (47 per cent) of employees reaching retirement age had made a request for postponement, and that these were accepted in 84 per cent of cases. Most EEF employers offered staff the option of staying in the same job (82 per cent full-time, 49 per cent part-time in the same job) (3).

A CBI survey in 2008 found that according to a sample of 513 employers, 31 per cent of employees reaching retirement age requested to postpone retirement, and 81 per cent of those requests were granted (25b).

Most of the 65 LAs who responded to a survey in 2009 by the LGE said they generally agree to requests to work past the age of 65: 39 for a fixed period only subject to review; 12 on an open-ended basis; 20 on a case by case basis. Around half said they had agreed to more than 90 per cent of requests (15b).

In two further studies in 2009 (with samples of 198 and 200 employers), from Eversheds and EFA/TAEN, the per centage of employers who said that they normally rejected requests to stay on was similar – at eight per cent and 11 per cent respectively – while most of the remainder said that they considered requests on a case by case basis (8, 9a).

Finally, three-quarters (76 per cent) of respondents to the FSB survey of 400 small employers (most with fewer than five staff) in 2009/10 had never received a request to work on after 65. Of 14 respondents who had, 12 said they had accepted in most cases (none said they had accepted in all cases and two said they had 'never accepted'). The majority of respondents (90 per cent) agreed they would consider an employee's request to work part-time or flexibly (defined in the survey as 'working part time or some other form of flexible working') instead of retiring, and 57 per cent would consider it for every employee (18).

Other recent research evidence (noted below) is broadly in line with the above evidence, also indicating that the majority of requests are granted.

Recent evidence from other sources: According to SEPPP2 carried out in 2009, 35 per cent of employers had had an employee aged 64.5 plus at some point since the regulations were introduced in 2006; 24 per cent had had requests to work longer and of these 83 per cent had granted all requests, 12 per cent had granted some and three per cent had granted none.

Although dated, re-analysis by Matt Flynn of qualitative interviews with 70 employers with a CRA of 65 from a DWP study carried out in 2006, highlighted some of the considerations taken into account by employers considering requests to work on. For example, in organisations used to flexible working, there was more likely to be an assumption that an employee would be allowed to remain – for example, in the retail sector; though other sectors could be more restrictive, for example, allowing employees to stay long enough to complete ongoing projects, but not normally to start new ones. Where workers were skilled, employers were concerned about workforce planning – including the career development of younger workers which some felt (especially in small organisations) could be hampered by increases in the older workforce. Working on would be more likely to be encouraged in the context of labour shortages. Tacit knowledge retention was an important consideration for some managers, for example, in large construction firms which used post-65 employees to train apprentices. Employees over 65 were

often regarded as 'contingent' and employed as such in several sectors – e.g. in health and social work with older employees offered the option of staying on as locums, or in retail with older workers given zero-hours contracts – not guaranteed any work but used to cover short-term demands. In other sectors older workers were offered the option of staying on on a consultancy basis – generally high skilled workers on premium rates of pay. In the case of physically demanding work, some employers were willing to redesign jobs to enable workers to continue and to retain the benefit of their tacit knowledge (2a).

Employers' attitudes to the DRA

According to stakeholder evidence submitted to the Review, employers in various sectors covered by the evidence tend to be resistant to the removal of the DRA.

For example, the majority of respondents to the EEF survey of 499 members in 2009 (68 per cent) supported a DRA at age 65. Fourteen per cent said there should be no retirement age (3).

Similarly, the majority of respondents to the Eversheds on-line survey of 200 employers sampled from their mailing list of HR professionals and in-house lawyers in 2009, (73 per cent) said it would be best for their organisation if there was no change to the DRA. Eight per cent said they would benefit if it was raised to 67 or above and 15 per cent said they would benefit if it was abolished altogether.

Forty-three out of 59 authorities in an LGE survey of LAs in 2009 expressed a preference to maintain the current DRA of 65. Five would prefer to increase the DRA (e.g. to 67) and 11 would abolish it (15b).

Twenty-six out of 33 respondents to the EEF NI survey of members in 2009/10 said that they wanted to retain the ability to compulsory retire employees at age 65 (the other seven said no). Five out of 32 respondents said that they would prefer to have the CRA abolished (27 said 'no') (16).

Most respondents to Foot Anstey's survey of 25 business clients were strongly against the DRA's removal but there was a more even split on the possibility of it being raised (23).

In response to a single survey question on the British Chambers of Commerce (BCC) monthly business survey (410 respondents in 2009), 35 per cent of respondents said they were concerned the DRA might be abolished, 65.3 per cent not (11b).

The exception to the general pattern described above was from a survey of 400 small employers carried out by FSB in 2009/10. Nearly two-thirds of respondents (62 per cent) thought the Government should not set a DRA, 27 per cent said it should and 12 per cent said 'don't know' (18).

As on other issues, much of the evidence is focused on larger employers, and this suggests that many employers support the retention of the DRA. However,

smaller employers offer different views. The evidence noted below provides an overview, as it covers a more complete sample of employers (all employers with five or more employees).

Recent evidence from other sources: According to SEPPP2 carried out in 2009, 39 per cent of all organisations with five or more employees (and 58 per cent of employers operating with a CRA) thought it was important to be able to compulsorily retire staff, compared with 53 per cent of all organisations which said it was not very important or not at all important (and 36 per cent of those with a CRA).

General attitudes to employing older workers

Stakeholder evidence highlights divergent views about older workers. On the one hand it points to employer concerns about declining health and ability to do the job, while on the other it underlines the value employers place on maturity, experience, work ethic and commitment.

According to the secondary analysis of 70 qualitative interviews carried out by Matt Flynn (interviews from a DWP study conducted in 2006), there remains a widespread perception that competence declines with age (2a).

The CBI stated that members in specific sectors report '*problems with declining performance amongst older workers*' (in relation to manual work) (25a).

One-third of all 3,352 businesses responding to the BCC survey of members in 2009 had an employee over 65 years old, but the great majority of these had only a very small proportion of their workforce over that age. Many cited a lack of opportunity to recruit amongst this age group. Concerns about ability to do the job were raised by eight per cent of businesses, commenting on possible health issues and the physically demanding nature of some tasks. For those who did hire older workers, loyalty, maturity, experience and the wish to retain or attain skills were the main reasons given. The proportion with employees aged over 65 was significantly higher for those in manufacturing, engineering and construction (40 per cent), in the public, education and voluntary sector (41 per cent) and in the hotel, restaurant and leisure industry. But only nine per cent of businesses in marketing and media and 21 per cent in the business and professional services sector had staff of this age. The more employees a company has the more likely it is to have employees over 65, which may account for some of the sector differences described (1).

TAEN reported that their '*conversations with employers over the past three years*' show employers who have adopted age friendly retention and recruitment policies almost without exception emphasise the business benefits of doing so'. Benefits cited include skill, commitment, work ethic, loyalty and flexibility. Employers were also aware of possible public relations advantages in employing older workers (9c).

Key points: Larger businesses tend to have a CRA, but this is much less common amongst small businesses. A range of reasons is given for having a CRA, typically as providing employers with a structure or framework (e.g. for succession planning, for discussions with employees). Employers without a CRA give reasons such as the ability to retain experienced staff, promoting diversity and lack of need. Evidence from employers indicates that the majority of requests to stay on are accepted (typically 80 per cent or more). Overall, evidence suggests that employers in various sectors are resistant to the removal of the DRA.

3.2.3 Individual experience and attitudes

Individuals' experience of their employer's retirement procedures

Of key interest under this heading is the extent to which individuals are enabled, by their employer's retirement procedures, to work on if they want to. Across the submitted evidence there was some indication of around four to six per cent of people obliged or 'forced' to stop work earlier than they would like.

In 2010 an Age Concern survey of 976 adults aged 60 to 70 found that: of adults aged 65-70 who had retired, four per cent had been 'made to retire by their employer because of their age' in the previous year, and six per cent in the previous three years. A quarter of the age group 'know someone who has been forced to retire'; the employers of four in ten employees over 60 use forced retirement; 13 per cent of employees aged 60 to 64 definitely expect to be forced to retire (17b).

Since the Age Regulations came into force in 2006, ECNI had received 54 enquiries from 'individuals who believed that they were being forced to retire due to the fact that they had reached or were approaching the age of 65' (19b).

Employee use and experience of right to request

In a survey of around 1,500 respondents between 50 and 75 years of age, conducted in 2009 by the PSI on behalf of EHRC, 15 per cent of men aged 64-69 and 14 per cent of women aged 58-64 had requested to stay on beyond their employers 'normal retirement age'. Requests were accepted in 85 per cent and 88 per cent of cases respectively, a finding that is consistent with stakeholder evidence about employer practices reported earlier (12a).

Individual attitudes of relevance to DRA legislation

Stakeholder evidence on individual attitudes of relevance to DRA legislation was broadly consistent, with a majority of respondents to various surveys in support of people being enabled to work on if they want and where practicable.

In 2010 an Age Concern survey of 976 adults aged 60 to 70 found that 91 per cent of 60-70 year olds opposed forced retirement (17b).

The Continuous Household Survey 2008 (Northern Ireland), cited by the Northern Ireland Public Service Alliance (NIPSA), found 88 per cent of respondents thought older people should be supported to work for as long as possible (20).

In a general public survey in Northern Ireland (cited by ECNI) (1,000 respondents in 2007), the majority of the public (62 per cent) agreed that people should be allowed to retire when they want to, while ten per cent disagreed (19a).

In a Saga/Populus survey of 14,178 people over 50 conducted in 2009, 85 per cent of people aged 50+ thought that employees should have the right, where practicable, to have staged retirement (5).

Other recent research evidence (noted below) provides more information on individuals' attitudes on these issues.

Recent evidence from other sources: Data from the British Social Attitudes Survey (2008) shows that 35 per cent of employees aged 50+ agreed they would 'want' to work beyond the age of 65 and 42 per cent of those aged 50+ agreed they would 'enjoy' working in their current job beyond the age of 65.

Individuals' attitudes to retirement, reasons for continuing work/retiring

In spite of evidence suggesting that individuals support the right to carry on working, a PSI literature review, quoted by EHRC, found that preferences regarding extending working life remain highly diverse, with many older people resentful of the expectation that they should work for longer. Others, typically working in more interesting jobs, are keen to remain in work beyond the SPA (12b).

In an online survey of UK employees and sole traders (2,117 respondents in 2009) conducted for the Chartered Institute of Personnel and Development (CIPD), overall 45 per cent of employees/sole traders planned to work beyond 'state retirement age', and this figure was higher (71 per cent) amongst those aged 55 or over. Financial factors (75 per cent) ranked highest as the reason for planning to continue working beyond state retirement age. There was no consensus as to the type of work respondents would do after state retirement age (full-/part-time, or working with the same employer, a different employer or self-employed) (4).

In a Saga/Populus survey of 14,178 people over 50 in 2009, 97 per cent of people aged 50+ rejected the idea of working doggedly until state retirement age, and expressed a preference for scaling back their working hours before SPA (on average, at the age of 57). There was also a reported desire to diversify, rather than simply downsize: seven in ten wanted to participate in some voluntary work. Over a third of over 50s wanted to continue doing some paid work past SPA and a third of those who had retired would prefer to be doing some paid work (5).

In a TAEN survey of 750 job seekers aged 50+, most respondents cited financial worries as their principal motivation for seeking work (9b).⁶

In a 2009 PSI survey of around 1,500 people aged 50-75 on behalf of EHRC, 62 per cent of respondents described themselves as feeling as fit as ever, with other structural and attitudinal barriers constituting the biggest obstacle to work. The majority of workers over 50 (62 per cent of women and 59 per cent of men) wanted to continue working beyond SPA. Among those who were actually planning to remain at work beyond SPA, 77 per cent of men and 71 per cent of women said they would like to continue working for their current employer. Some of those who elected to work longer said they were happy and enjoying what they do (13 per cent of workers over SPA said they planned to retire after SPA because they 'Enjoy working', 23 per cent of workers under SPA cited the same reason)⁷ (12a).

In a general public survey in Northern Ireland quoted by ECNI (1,000 respondents, 2007), 34 per cent of the public said their preferred option was to retire early, 13 per cent said it was to work beyond the 'current retirement age' and 13 per cent to retire at the current retirement age. The main reason for preferring to work beyond the current retirement age was that they needed/would need the money and could not afford to retire. (19a)

In qualitative research undertaken by Independent Age in 2008/09, respondents '*frequently spoke of retirement as a significant turning point in their lives. In some cases, beneficiaries not only told us that they missed working and the work environment, but that they would like to have carried on in employment for longer. Respondents described that upon retiring, they moved from feeling like valued members of society, to feeling that they had little or nothing to contribute.*' (22)

Effect of employer retirement policy/practice on routes to retirement

The Trades Union Congress (TUC) submission notes that the Civil Service's new flexible retirement scheme, introduced in 2008 – known as partial retirement – has been taken up by 'many employees' below state pension age as well as those above SPA (13b).

⁶ TAEN also quotes a survey of older workers in the G7 countries – *Profit from Experience* (2008) by a US organisation, the AARP – as saying in Britain 82 per cent of older workers in general worked for the money, but among those working after retirement age this changed: money was the main factor for only 45 per cent of these – for 49 per cent it was 'to stay mentally active' (9d).

⁷ The EHRC submission references Cabinet Office research from 2000, in which 40 per cent of retired men and 20 per cent of retired women left work earlier than they expected. It also references the Prudential Class of 2009 Retirement Survey, which found that '*more than two million people now wanted to stay on in work because the downturn had led to a fall in their investments.*' (9d)

Key points: Across the submitted evidence, a proportion of employees was found to have been obliged or 'forced' to stop working earlier than they would like, the proportion depending on the age group and time period covered. More broadly, evidence shows a range of attitudes to continuing in work, with some keen to remain in employment (in some cases with a desire to diversify the work they do), but others preferring to retire early if finances allow. A number of pieces of evidence show public support for the principle of employees having the chance to continue working if that is their preference.

3.2.4 Impacts of DRA legislation and the Employment Equality (Age) Regulations

Negative

Possible negative impacts of DRA legislation presented by stakeholders included impacts from the introduction of legislation **outlawing** mandatory retirement under 65 as well as impacts from **retaining** a ceiling of 65.

Swiss Re examined market data to assess the impact of DRA legislation and the wider impact of the Employment Equality (Age) Regulations, which outlawed CRAs under the age of 65. The context to this analysis is the perception that an ageing workforce introduces potential difficulties to employers offering risk benefits (e.g. long-term income protection insurance providing salary continuance in the event of prolonged disability or incapacity), because of the increased costs associated with insuring older people. This may lead employers to restrict the terms of the insurance (e.g. limiting the payment period to five years). According to them, market data to the end of 2008 show that 6.7 per cent of income protection schemes (as described above) were written on a limited payment basis. Market practitioners believe that the proportion of the total market written on a limited payment term basis will increase from 11.5 per cent on average in 2009 to 22.25 per cent on average in 2013. Swiss Re also state that further data indicate that a significant proportion of new income protection schemes provide cover on a limited-term basis (10).

The TUC submission includes feedback from the teachers union NASUWT that the DRA (with a potential ceiling on work of 65) has a negative impact on teachers, many of whom come to the profession later in life. Feedback from the GMB union states the DRA can have a negative impact on workers in occupational (defined contribution) pension schemes; where these have not performed as well as expected, a forced retirement at age 65 removes the employee's ability to choose an appropriate time to retire (13b).

Positive

Advantages of retaining the DRA identified by participants in the employer focus groups conducted by EFA in 2009 (30 employers, all still using the DRA) were: more certainty in manpower planning; enables succession planning and career development for younger staff; no need to performance manage older staff;

employees like to retire; reduces likelihood of having to deal with age-related disability and ill-health; avoids likely increase in cost of benefits for those aged 65+; avoids higher redundancy costs; consistent process to deal with expectations (21a).

Neutral

Matt Flynn's analysis of qualitative interviews with 70 business managers (2006) found that perceptions of the impact on business were both positive and negative – only a few had abolished retirement ages or introduced innovative approaches, e.g. to formalise consideration of options for flexible working (2a).

Key points: The current DRA legislation is seen as having a positive impact for some employers, giving greater certainty and avoiding perceived increases in costs (e.g. benefit and redundancy costs), but a negative impact on some employees (e.g. those entering a profession late in life).

3.2.5 Impacts of raising or removing the DRA

Negative

In a survey of 200 employers by Eversheds in 2009, when asked what the disadvantages would be of changing (increasing or removing) the DRA, the concerns most frequently cited related to employee capability, workforce planning and increased costs (8).

In a LGE survey of 59 local government employers in 2009, potential negative effects of raising or removing the DRA included that career planning and workforce planning would be more difficult for the employer and the employee; that it would remove the ability to manage exits in a dignified way where there are performance issues; that it would also remove a framework used to review and make decisions; that there would be increased numbers of compulsory redundancies in the event of the need to reduce employee numbers; and that there would be an increase in sickness and performance capability management cases (15b).

According to employers in an EEF NI survey (33 respondents in 2009/10), when asked what they would anticipate being the effects on their organisation if the retirement age was to be removed, the majority of responses focused on the barrier to succession planning and the effect of having an ageing workforce in manufacturing and engineering roles. Increasing the DRA to 66 or 67 produced less comment; one respondent said this was 'less of an issue' (16).

According to Foot Anstey, concern from the 25 employers surveyed about negative impacts from raising or removing the DRA relate to health and safety, performance issues, potential conflicts from increased use of dismissals, workforce planning, increased costs of insured benefits and changes to pension arrangements. Moreover, if special arrangements are needed to manage older employees in future, respondents were concerned about accusations of age discrimination from younger employees. They would hope for help and guidance on matters such as contractual mandatory retirement (where this could be justified), workplace

health schemes and flexible benefits. They would also seek other exemptions from any new regulatory regime, e.g. to permit monitoring specifically of health and performance of older employees (23).

According to the CBI, if the DRA is raised or removed employers fear increased costs, specifically in relation to pension provision and rising insurance costs; a 'significant increase in the number of tribunal claims based on age'; and a greater number of dismissals and redundancies (25a).

According to Group Risk Development (GRiD), the Institute of Actuaries has estimated that extending the expiry age from 60 to 70 under a group income protection scheme would lead to an increase in premium of 60 per cent or more (14).

Positive

In an Eversheds survey of 200 employers in 2009, those who took part allegedly found it more difficult to identify advantages for their organisation of raising or removing the DRA. However, some respondents said that raising the DRA would help their organisation to retain skills, experience and/or knowledge, while others thought that removing the DRA might force a change in attitude towards older workers for the better (8).

In a survey of 59 local government employers conducted in 2009 by LGE, LAs generally foresaw more positive than negative effects as a consequence of increasing or abolishing the DRA of 65. For example: better management of recruitment and retention issues, particularly for difficult to fill posts; better succession planning; more flexibility for employers; less time spent on administration which allows more time to be spent on employees when they are ready to retire; increased time spent on capability management. Those authorities who operate without a CRA have reportedly experienced a positive impact on their recruitment and retention and an increase in the number of mentors available for more junior staff (15b).

The expected benefits of removing the DRA identified by 30 participants in the employer focus groups conducted by EFA in 2009 were: fewer formalities in the retirement process; a wider recruitment pool; retention of skilled labour; encouragement of more active performance management and flexible retirement; closer alignment of the demographic profiles of the working and wider population; reduction in the cost of state benefits for retirement; a better match with the increasing need of employees to work for longer (21a).

Neutral

In 2009, 64 per cent of members of the FSB who employ staff (400 respondents) thought removal of DRA would have no impact on their business, 14 per cent thought it would have a positive impact and 15 per cent a negative impact (nine per cent 'didn't know') (18).

Key points: Evidence from employers shows that some fear negative impacts of raising or removing the DRA, such as increased costs, succession planning and performance capability. Other employers see positive benefits, including the ability to retain skills and experience.

3.2.6 How costs of raising or removing the DRA (if any) could be offset

This was a question that was posed in the call for evidence but as noted earlier in the report, there was very little evidence submitted either on whether costs would be incurred if the DRA was removed or, should there be any, how they could be offset. The evidence received on these issues is summarised below.

The abstract of a paper by Barrell *et al.* (2009) cited in the EHRC submissions states:

'The national debt stock of the UK is rising sharply as a result of the economic crisis, and equilibrium output is falling, with the capital stock contracting. Both problems could be alleviated by the rapid introduction (but slow implementation) of a policy to extend working lives. The paper analyses a delayed extension of working lives in the UK. Increasing working lives will in equilibrium raise consumption and tax revenues and reduce pension spending. These gains by the government can be used to improve services, cut taxes or pay off debts.'

(12c)

In their submission, Age Concern noted – on the basis of a review of evidence – a number of ways in which costs of raising or removing the DRA might be offset: if businesses need to implement more appraisal systems, these will bring offsetting benefits. Offsetting benefits of not having mandatory retirement will counter costs of service-related pay and benefits. Exemptions allowing additional benefits to stop accruing after 65 are an option (17c).

3.2.7 How the road to retirement could be improved

Employers responding to Foot Anstey's survey of 25 clients thought that flexible working arrangements of various kinds could benefit the management of an older workforce, but there was some concern about falling foul of age discrimination provisions if these arrangements were offered selectively to older workers. They also suggested help to set up workplace health schemes to enable workers to stay fit for work (for longer). Flexible benefit packages could help employers to mitigate the cost of providing insurance backed benefits to older employees, but respondents believed there would be significant costs associated with implementing flexible benefits (23).

3.2.8 Other evidence

Older workers

According to the British Psychological Society, there is no general difference between the average effectiveness of older and younger workers. Performance in some jobs is impaired by age (where physical excellence or continued rapid information-processing is needed). In other jobs older workers perform better than younger ones: where understanding and knowledge are needed. However, these are average observations; between-person variability within an age group can be very large (7).

Research for McDonalds in 2009, reported by EFA, and conducted by researchers at Lancaster University (Centre for Performance Led HR) compared the performance of 178 company-owned restaurants with one or more members of staff aged over 60 with that of 239 restaurants with all staff aged 50 or under. Results in the press release submitted claim *'levels of customer satisfaction were on average 20 per cent higher in restaurants that employ staff aged 60 and over'*. The press release states that restaurant managers said *'later life workers empathise with and connect well with customers (69 per cent); are prepared to go the extra mile to deliver the best possible service to customers (47 per cent); brought mentoring skills to the workplace helping younger colleagues develop and mature (44 per cent).'* (21g)

TAEN referred to their 50+ Job Seekers Survey (750 respondents in 2008) in which half of respondents believed they had experienced discrimination in job hunting. This was offered both as support for the view that forced retirement is particularly harsh because those affected will find it difficult to get other employment, and as suggestive evidence that the DRA itself may contribute to age discrimination (9b).

In a 2009 PSI survey of 1,500 respondents aged 50-75 conducted on behalf of EHRC, enthusiasm for learning was found to persist – 44 per cent of 56-59 year olds and one-third of those aged 60-64 had undertaken training in the last three years to improve their job prospects. These figures were for workers less than satisfied with their current job. The data show that participation declines with age (from 55 per cent of those aged 50-55 to 33 per cent of those aged 60-64), but a substantial minority in the different age groups still said they had participated in some kind of training (12a).

In a ComRes Age UK survey (for Age Concern and Help the Aged) conducted in 2010 (976 respondents), 50 per cent of employees aged 60-70 said they had received no career progression opportunities since their 60th birthday. Age Concern attribute this to a possible 'countdown culture' which assumes people will retire soon and are not worth developing (17b).

Comparing results from 2008 with those for 2003 in the Northern Ireland Life and Times Survey, the numbers of those aged 55 to 64 reporting poor treatment from an employer on the basis of their age rose from eight per cent to 14 per cent by the later date. Sixty-four per cent of older people believe age discrimination still exists in the workplace (20).

Recent evidence from other sources: *The Fair Treatment at Work Age Report – Findings from the 2008 survey*, Craig Barratt, URN 10/813, March 2010 reported that one in five people aged over 60 who are in work now or have worked in the last two years have experienced problems at work compared with one in three in the general population. In addition, younger workers (aged 16-24) were reported to have experienced more unfair treatment due to age than older workers (aged 60+) – four per cent compared with two per cent.

Flexible working

According to the BCC on-line survey of 3,352 businesses conducted in 2009, 36 per cent of businesses hire staff (of any age) on temporary, fixed-term or zero-hour contracts – flexibility being a key reason, e.g. to meet changes in demand (1).

A 2009 PSI survey of around 1,500 50-75 year olds, conducted on behalf of EHRC, reported significant demand for greater flexibility in hours and location of work. Eighty-five per cent of people inactive and over SPA said that greater availability of flexible and part-time work would help them to find jobs (12a).

However, a PSI literature review referenced by EHRC found evidence to suggest that while many older workers would appreciate the opportunity to work flexible hours, more widespread is a desire for less stressful working conditions. Overall, job quality is an important issue for older workers. Changing jobs later in life, in search of greater flexibility or less stress, risks downward occupational mobility, poorer terms and conditions, and the segmentation of older workers into lower quality jobs (12b).

Extending working life

According to Matt Flynn, the UK Labour Force Survey has shown a steady rise between 2003 and 2009 in the per centage of those over SPA who are in the labour force. The survey shows that the majority of people who work after SPA have been with their current employers over ten years (2b).

According to CBI calculations from ONS Labour Market Statistics in January 2010, the employment rate for men over the age of 65 has risen to a peak of above ten per cent. Women have fared even better, with 13 per cent of women over state pension age in employment. (25c)⁸

According to the Centre for Ageing Research and Development in Ireland (CARDI), there has also been a rising trend in the numbers of older people in work in Northern Ireland (24). NIPSA, however, state that information from the

⁸ Labour Force Survey data shows that, although starting from a low base, employment has risen amongst those aged 65+ by 70 per cent since 1992, reaching 12.1 per cent in Quarter 4, 2009.

Department for Enterprise, Trade and Investment in 2009 shows that the proportion of people over 50 in employment in Northern Ireland was the same in 2007 as 2005 (32 per cent) in spite of a policy to promote an increase in older people working (20).

The TUC submission refers to anecdotal evidence from trade union representatives that at some companies very few workers are working long enough to reach retirement age, *'because of the pressures brought about in recent years by work intensification and increased stress'* (13b). According to a National Institute of Economic and Social Research (NIESR) paper based on economic modelling referenced by EHRC, extending working lives reduces saving as it reduces the need for assets to cover a shorter retirement. It can also be used to reduce taxes or to reduce the government debt stock and increase the credibility of any expansionary fiscal policy. (12c)

According to a PSI literature review referenced by EHRC, employees continuing to work after SPA show increasing segmentation in experience based on qualifications and job status – those with fewest choices and opportunities for working on being those in low-skilled jobs. The submission author attributes this, in part, to the fact the employment contract changes at SPA in terms of protection against dismissal (12b).

According to the British Psychological Society, surveys show that older people's exit from the labour market is increasingly through part-time, temporary and/or intermittent jobs, in their previous field of work or another – 'bridge employment'. This is done more by men, and by those who are better educated, relatively young, in better health and who have previously been job-satisfied. However, in some cases it is driven by financial need. Bridge employment activities are associated with better mental health and life satisfaction than complete retirement (7).

Key points: Some of the evidence indicates that there is no general difference in performance between workers of different age groups, while other evidence suggests that older workers can experience discrimination. The proportion of people working above SPA has risen in recent years, although analysis of exits from the labour market show an increasing number in part-time or temporary work.

3.2.9 Other

The EFA said that conversations with employers indicated reluctance to change policies on retirement until the Government has taken a decision about the future of the DRA (21d).

4 Concluding remarks

This chapter provides some concluding remarks to this report, which has summarised the submissions to the Government's Review of the DRA made by external stakeholders.

The report summarises both the views and opinions presented by stakeholders, as well as the evidence they submitted. As noted in Chapter 1, submissions were processed systematically using an analysis framework, in order to separate views from evidence. Key findings from each submission were then summarised under agreed topic headings.

4.1 Scope

Submissions were received from 23 stakeholder organisations and academics covering a range of employer and employee representatives, age and equality organisations, businesses and academics. Although the contents of this report describe views and evidence provided by key recognised representatives of the business and other key sectors, respondents were self-selected; the call for evidence was an open call to interested organisations and individuals and no special measures were used by BIS/DWP to ensure that responses were received from particular stakeholders. As a result, the submissions do not necessarily provide a coherent or representative assessment of the evidence on these issues, and the report does not attempt to provide a systematic review of published research evidence on the DRA and related research. However, the report does provide an informative insight into stakeholder views, as well as evidence on specific issues from different groups of employers and individuals.

In terms of the specific topic headings covered by the Review, the evidence provided a patchy coverage, with reasonable coverage of the views of employers and individuals towards the DRA, but less on the actual impact of the DRA and the likely impact of changes to the current situation. There was also limited coverage of awareness (among employers and individuals) of DRA legislation. Overall, the evidence provided a fuller picture of broader issues related to DRA (e.g. extending working life and employing older workers) than the specifics of the legislation.

4.2 The content of the submissions

Submissions from stakeholders mainly argued or made a case for particular outcomes from the Review based on issues of principle and/or views and opinions about key constituency interests. Views and opinions were articulated both for and against the DRA at age 65, a DRA at a higher age and its removal altogether.

In most cases, the research evidence that was supplied by stakeholders was intended to shore up or support the arguments they outlined and the points they made in the wider submissions. The evidence provided varied in terms of how much was supplied and the issues it addressed. As a result, it is important to avoid taking all of the evidence 'at face value', but rather to recognise the (sometimes) limited scope of the evidence and the specific groups covered. For example, some evidence only covered one or two specific issues, and was often limited to groups such as member organisations, or employees of a certain age.

4.3 The value of the evidence

In key areas, the evidence provided by external stakeholders is consistent with – and therefore reinforces – recent evidence collected by DWP, BIS and others; for example, in relation to employer handling of the right to request. Taken alongside other evidence, a number of key issues can be identified:

- larger employers were likely to have a CRA, but this was much less common among smaller employers. Overall, around one in three of all employers (with five or more employees) had a CRA;
- similarly, larger employers generally supported the retention of the DRA, but this was not the case among smaller employers. Overall, around two in five organisations (with five or more employees) thought it was important to be able to compulsorily retire staff;
- the majority of requests to work longer were accepted, with employers surveyed typically saying that they had accepted 80 per cent or more of requests;
- among individuals, a proportion (four per cent or more depending on the group covered and time span included) said they had been made to retire or had their request refused.

The evidence also adds depth and richness to the overall intelligence relating to the question of the DRA, especially on important issues such as employer reasons for having a CRA and their fears about operating without one. For example:

- employers gave a number of reasons for having a CRA. These often related to the presence of a structure or framework, either for managing out older workers and for succession planning, and for discussing retirement plans with employees. A number of specific issues were also raised, including the capability and health of older workers, being able to allow a 'dignified' exit, to link with pension benefits, the cost of benefits or redundancy, the need for consistency, and the employer's past experience/history;

- there was also evidence on the reasons some employers do not have a CRA. Again, a range of issues was raised, including the ability to retain skills and experience, the ability to promote diversity and improve morale, to enhance the image of the employer, allowing personal flexibility or negotiation, and the lack of need for a CRA (particularly where retirement was not common).

Appendix

List of evidence

Ref	Author/body	Ref	Description
1	BCC	1	BCC Workforce Survey', web survey of 3,352 member businesses (2009)
11	BCC	11a	Same as ref 1
		11b	BCC monthly business survey, 410 respondents (2009)
		11c	Employment Burdens Timeline Analysis
		11d	Member feedback
2	Matt Flynn article for Ageing and Society	2a	Re-analysis of qualitative interviews with 70 managers from a range of sectors, at different levels of seniority; 2006
		2b	Author's literature review of research evidence
3	EEF	3	Quantitative postal survey of EEF members, 499 returns (2009)
4	CIPD	4	Quantitative, online survey of UK employees and sole traders, 2,117 respondents, conducted by YouGov (2009)
5	SAGA	5	Two quantitative surveys: separate waves of Saga's Populus on-line panel of people aged 50+: 14,178 respondents in December 2009 and 10,209 respondents in August 2009
6	Age Concern	6	Witness statements (3) from application for 2006 Judicial Review of the decisions to implement the Age Regulations; uses a range of supporting evidence
		17a	Nine case studies of people who have been forced to retire 'Age UK Survey' 2010, conducted by
17	Age Concern	17b	TNS-BMRB, face to face interviews with 976 people aged 60 to 70, as part of the regular Omnibus survey.
		17c	Review of research evidence
		17d	Anecdotal evidence

Continued

Ref	Author/body	Ref	Description
7	British Psychological Society	7	Document drawing on referenced research (from peer-reviewed articles for scientific journals, assessed and selected by BPS)
8	Eversheds LLP	8	On-line quantitative survey of 200 employers, from Eversheds' mailing list (2009)
9	TAEN	9a	Quantitative on-line survey of 198 HR professionals (2009);
		9b	TAEN 50+ survey; two samples of jobseekers aged 50+ (2008); combined sample of 750
		9c	Anecdotal feedback based on organisation's own experience, from individuals and company representatives
		9d	References to other evidence
		9e	Policy briefing on the DRA (2010)
10	Swiss Re	10	Review submission, summarising market data analysis, annual surveys of 'main market players' and Swiss Re opinions
12	EHRC	12a	PSI study 1 – telephone survey with around 1500 people aged 50-75 (2009)
		12b	PSI study 2 – review of mainly UK research and policy since 2000
		12c	'Barrell' paper (NIESR), based on economic modelling.
13	TUC	13a	References to previous survey evidence
		13b	Anecdotal evidence from member organisations and trade union representatives
14	GRiD	14	Case-study examples; evidence and estimates on group income protection schemes
15	LGE	15a	Postal/on-line survey of local authority HR departments: survey of retirement policies/practices (2008/09)
		15b	On-line survey of local authority HR departments: attitudes to DRA (2009)
16	EEF NI	16	Quantitative postal survey of EEF members in Northern Ireland, 33 returns (2009/10)
18	FSB	18	Email survey of 400 FSB members who employ staff
19	ECNI	19a	Quantitative, face-to-face survey of the public; 1,000 in-home interviews
		19b	A record of the number of complaints received by the Commission since October 2006
20	NIPSA	20	Quotes from a range of mostly quantitative surveys and other sources

Continued

Ref	Author/body	Ref	Description
21	EFA	21a	Focus groups with employers still operating DRA
		21b	DWP/EFA case studies of 7 large employers with experience of flexible retirement
		21c	Case studies of employers who have removed mandatory retirement age
		21d	Employer conversations
		21e	EFA survey of employers and employees (2002) across the UK and in Ireland
		21f	EFA/ TAEN (2009) survey of 198 HR professionals
		21g	McDonald's restaurant research, interviews with over 400 restaurants
22	Independent Age	22	Qualitative focus groups and interviews with beneficiaries (2008/09)
23	Foot Anstey Solicitors	23	Self-completion survey of 25 local employers and feedback from 20+ employers attending a workshop
24	CARDI	24	References to published population statistics
25	CBI	25a	Summary statements of CBI members' views, anecdotal evidence from individual CBI member organisations
		25b	CBI-sponsored postal surveys of businesses: CBI Pertemps Survey 2008; CBI/Watson Wyatt Pension Survey 2007 and 2009
		25c	References to population statistics

References

Other research on DRA commissioned by DWP

Barratt, C. (2010). *The Fair Treatment at Work Age Report – Findings from the 2008 Survey*. Employment Relations Research Series No 109, URN 10/8 13.

Metcalf, H. and Meadows, P. (2010). *Second Survey of Employers Policies Practices and Preferences relating to Age*. DWP and BIS joint research report, BIS Employment Relations Research Series No 110, ISBN no 978-0-85605-756-4.

Morrell, G and Tennant R. (2010) *Pathways to Retirement: The Influence of Employer Policy and Practice on Retirement Decisions*: DWP Report 673.

Thomas, A. and Pascall-Calitz, J. (2010). *Default Retirement Age: Employer qualitative research*. DWP Research Report No. 672.

Wood, A., Robertson, M. and Wintersgill, D. (2010). *A comparative review of international approaches to mandatory retirement*. DWP Research Report No. 674.

Compulsory retirement ages below 65 became unlawful in most cases under the Employment Equality (Age) Regulations 2006. A Default Retirement Age (DRA) was retained so that compulsory retirement at 65 or above remained lawful and subject to a set procedure. The Departments for Work and Pensions (DWP) and Business, Innovation and Skills (BIS) have been conducting a wide ranging review of the operation of the DRA which will help decide whether to retain, change or end it. As part of the review, the Government issued a public call for evidence to which a range of external stakeholders responded. They included employer and employee representative bodies, age and equality campaign organisations, professional bodies and individual businesses. The evidence they submitted included surveys, case studies, literature reviews and soundings of opinion.

This report summarises the stakeholder evidence. The authors analysed each stakeholder submission, separated views and opinions from evidence, and examined the evidence to determine what aspects relevant to the DRA it covered, what methodology was used and what results obtained. The evidence on various aspects of the review was compared across the submissions. The report sets out the views and opinions given by stakeholders for and against a DRA. It also contains a systematic presentation of the individual items of evidence under headings that cover: employers' current practices on retirement; individuals' experiences and attitudes; the value and capability of older workers and issues of concern to them; and the potential impact on employers, individuals and the economy of keeping, raising or removing the DRA.

If you would like to know more about DWP research, please contact:
Paul Noakes, Commercial Support and Knowledge Management Team,
3rd Floor, Caxton House, Tothill Street, London SW1H 9NA

<http://research.dwp.gov.uk/asd/asd5/rrs-index.asp>