

Legal Week

Leading law firms consider retirement policy shake-up

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End of default retirement age spurs top law firms to review policies

A host of leading UK law firms are set to overhaul their retirement policies for partners and employees.

Top 30 law firms including Allen & Overy (A&O), Norton Rose, Wragge & Co, Holman Fenwick Willan, Beachcroft, Stephenson Harwood and Field Fisher Waterhouse are currently considering changing their retirement provisions for partners to bring them in line with incoming legislation.

For most firms, discussions are focusing on whether to either raise the age of retirement in the partnership deed or remove it altogether, with others looking at broader retirement policies. Norton Rose, for example, is considering services that could be offered to older partners keen to stay on at the firm in some other capacity.

Norton Rose chairman Stephen Parish (*pictured*) said: "Those days when City partners were expected to retire when they had passed 50 are over and people now see that older partners also have something to offer. It could be winding down fee earning and moving into things like knowledge management, business development or compliance."

Firms including Ashurst and legacy Hammonds and Lovells have already made changes to their retirement provisions either in preparation for, or in the wake of, age discrimination laws introduced in the UK in 2006. However, the issue has been brought back to the fore because of the upcoming abolition of the default retirement age of 65 for UK employees, which comes into effect in October this year, and a closely-watched case involving lawyer Leslie Seldon.

Seldon, a partner at Clarkson Wright & Jakes, argued that a compulsory retirement age of 65 constituted age discrimination but lost his case in the Court of Appeal last summer. Firms are now waiting to see if a Supreme Court hearing goes ahead.

Partnership adviser Ronnie Fox said: "Many law firms have so far made only half-hearted attempts to address the retirement age of partners. Now that the Seldon case is likely to go all the way to the Supreme Court and the default retirement age for employees is to be abolished, firms are finally reviewing their partnership deeds and employee retirement issues. The topic has been taken off the back burner and placed firmly on the agenda."