

Scrapping retirement at 65 'will line pockets of lawyers'

PLANS by ministers to stop workers being forced to retire at 65 will lead to a 'lawyers' charter', it was claimed yesterday.

Bosses furious at the move fear they will be hit with a spate of grievance claims by older employees who may feel they have been unfairly dismissed.

The move to phase out the default retirement age by October of next year has been hailed by anti-ageism campaigners. However leading business groups said the fine print would leave employers with 'unresolved' problems.

There were also suspicions that the move may be more about cutting back on pension costs for an ageing population than rights for the elderly.

The Engineering Employers Federation warned ministers that the change could lead to an increase in employment tribunal claims from older workers. CBI deputy director

'A major increase in disputes'

general John Cridland added: 'Scrapping the default retirement age will leave a vacuum and raise a large number of complex legal and employment questions, which the Government has not yet addressed.'

There would be 'uncertainty among employers and staff' who would not know where they stood, he added.

Ronnie Fox, of Fox Lawyers, said: 'One unintended consequence is bound to be a major increase in disputes about whether a particular employee is indeed capable of carrying on working. That will generate work for lawyers, create pressure on employment tribunals and damage workplace relationships.'

The plan also came under fire from Graeme Leach, of the Institute of Directors. He said: 'We do not see

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how the removal of a mechanism that gives employers flexibility in managing their workforce is compatible with the Government's stated desire to boost enterprise and deregulate the employment arena.'

Adam Marshall, of the British Chambers of Commerce, said: 'The Government has pledged to reduce the burden of employment law, but at the same time it is proposing to restrict businesses' ability to manage their workforce by phasing out the default retirement age.'

The criticism from business was in sharp contrast to support for the move from anti-ageism campaigners and age charities.

Michelle Mitchell, of the charity Age UK, said: 'This is a huge victory for hundreds of thousands of employees who are at risk of being forced out of their jobs simply because of their age.'

Age UK argued that there would not be a rise in tribunal cases. A spokesman said that 'on the contrary, this measure will cut the red tape and make employers less liable to compensation claims arising from the incorrect application of the current procedure, which is far from simple.'

Currently, staff can ask to stay on past 65 but employers are not compelled to abide by the request.

TUC general secretary Brendan Barber said: 'It cannot be right that workers lose their protection against arbitrary dismissal overnight because of their age.'

Former Labour work and pensions secretary David Blunkett also welcomed the move and said his party should have acted when it had the chance. 'Just for once, I can actually applaud the Coalition for taking a measure which I tried and failed to complete five years ago,' he said.

MARTIN SAMUEL IS AWAY