



# Rethinking Retirement

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AN EMPLOYEE'S GUIDE TO WORKING LIFE  
WITHOUT A DEFAULT RETIREMENT AGE

Researched and written by TAEN for Saga

SAGA THOUGHT LEADERSHIP

# Foreword

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## Saga Director-General, Dr Ros Altmann

2011 is the year we can start to really rethink retirement. As the default retirement age is being phased out, workers will soon have new opportunities to continue working well beyond age 65, if they want to and are fit enough to do so.

Saga has commissioned this Guide for Employees to help older workers recognise the opportunities that now exist for them to extend their working lives. As so many more people in their fifties are finding that their pension savings will not provide as much pension as they had hoped, they are realising they could benefit from working longer to add to their later life income. As well as bringing in money, working also offers other benefits such as regular social interaction and a sense of purpose.

Saga's mission is to improve the lives of the over 50s. We are devoting considerable resources to a new programme of Thought Leadership Seminars, which will explore some of the vital policy areas that affect older people in the UK. The first of these is on Rethinking Retirement.

Working beyond traditional retirement age can provide older people with 'bonus years', when they are still working but hopefully able to cut down to part-time work, rather than working full-time and then suddenly having to stop altogether. This is what most over 50s want. In our recent survey, 71% of the over 50s said they would prefer to stage their retirement by working part-time before completely stopping. This Guide helps employees think about how to consider their options once the default retirement age has been abolished.

The quality of life for people over 50 is a top priority for Saga as we seek to enhance and support their lifestyles. Working longer and rethinking retirement are likely to be an increasingly important focus for future baby boomers. We hope this Guide will prove helpful for many older employees who will be able to benefit from 'bonus years' in the labour market of the future.

**Dr. Ros Altmann**  
**Director-General, Saga**

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Glossary

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# 1. Introduction

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## What this guide is for

You will have heard that the default retirement age of 65 is being abolished. It will be phased out from 6 April 2011... this means that in future you will almost certainly be free to choose your own date of retirement. You will still be able to retire at 65 or earlier if you wish and if you can afford to do so. But if you want to go on working and earning, this should now become much easier.

Whether you are in your 40s, 50s or 60s you may be wondering what to do about your future. Will you have enough money to live on? Would you like part-time work while you draw your pension at the same time? Many things are possible once fixed retirement ages become a thing of the past, but not all employers will immediately adjust to allowing flexible working arrangements for you.

One reason for this guide is to help you understand the kinds of things employers might do to help people to work longer. Some people will be happy to keep working full-time but not all. This guide can also give you some ideas of the sorts of changes you could make in the way you work to help extend your working life, assuming that is what you want to do.

'Planning for retirement' has for long been a catchphrase. Now we must begin to plan for work and retirement overlapping one another. A period of part-time work and part-time retirement might be the ideal combination. In the remaining sections of this guide we will explain these ideas in more detail and suggest how you might make them work for you.

## The end of the default retirement age

Employers who currently have fixed retirement ages will have various issues to deal with as a result of the end of the default retirement age. Some of these may bring changes. They will have to manage the application of the law and ensure it is complied with. They may want to introduce a process for discussing career plans with employees and they may need to manage performance more closely.

There are ways to help make your workplace more 'age friendly' and increase options to extend your working life. This guide is to help you adapt to and think about this process.

A companion guide for employers contains examples of ideas to harness the potential of older workers more effectively. We hope these two guides will help organisations move beyond the ageism of fixed retirement ages and help individuals to genuinely benefit from this change.

## 2. What is happening? Your rights after the default retirement age is abolished

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**Please note that this is the position currently proposed, but it is still possible the legislation may be amended as it goes through the Parliamentary process.**

### ***Phasing out default retirement age***

The default retirement age (DRA) will be phased out from 6 April 2011. From this date notices of compulsory retirement will be unlawful, other than where there is an employer justified retirement age (see Glossary).

### ***Transitional arrangements***

Transitional arrangements will apply from 6 April 2011 where a retirement process has been initiated. Acas has provided the following guidance regarding the transitional arrangements:

“Under the DRA employers must give a minimum of six months notice of retirement but no more than 12 months notice. Retirements notified on or before 5 April 2011 can continue through to completion provided that the following conditions are met:

The DRA procedure, as set out in the previous Employment Equality (Age) Regulations 2006, is followed correctly (including the employee’s right to request to stay on is given serious consideration by the employer)

The person retiring reaches 65 or the normal retirement age (if this is higher) before 1 October 2011. Therefore an employee must be 65 by the 30 September if they are to be retired using the DRA.”

Employers will not be able to issue notifications of retirement using the DRA after 5 April 2011.

### ***Request to remain working (applies up to and during transition period but then becomes obsolete)***

If you are 65 on or before 30 September 2011 and have been told that you must retire at a date up to 5 April 2012, you have the right to request to remain working beyond 65. Your employer must consider that request and give you a response, then if you wish you may appeal but the employer will have the final say. Your employer may extend your employment by up to a further six months following such a request and still force your retirement. Such extended notice could take you up to 5 October 2012. This will be absolutely the last date on which enforced retirement is still possible under the default retirement age.

### ***Forced retirement after 6 April 2011***

Any enforced retirement taking effect after 6 April 2011 will have to be objectively justified unless notice has been given before the 6 April. In this case it will be allowed to continue under the phasing in arrangements. The legal tests for objective justification (see Glossary) will be hard to meet and most employers will do without a mandatory retirement age in future.

### ***Default retirement age taking effect beyond 30 September 2011***

In some circumstances during the phasing in arrangements, individuals may be given longer notice of retirement, meaning retirement takes effect after 30 September 2011. Providing a retirement notice is given on or before 5 April 2011 and you reach 65 before 30 September 2011, such a later retirement date can be set - up to 5 April 2012.

***What to do if your rights are breached***

If your rights have been breached you can complain to an employment tribunal. You would almost certainly need professional support in bringing such a claim.

***Other employment rights***

Once you have passed the age of 65 your rights as an employee will in most respects be no different from your rights below 65. You will have the right to protection from unfair dismissal and entitlements to redundancy pay and any of the other employment rights given by statute law or in your employment contract. However some benefits, such as life and health insurance, may not be offered beyond age 65.

You will have the right not to be discriminated against because of your age when you are looking for a job. Discrimination may be hard to prove in practice but employers and recruitment agencies will no longer be able to discard your application just because you are within six months of your 65th birthday, as they have been allowed to until now.

<sup>1</sup> The most useful sources of detailed advice on the Equality Act generally and working without the default retirement age in particular are the Acas guide to working without the default retirement age: Employer guidance <http://www.acas.org.uk/index.aspx?articleid=3203> and TAEN's series of guides to age discrimination law (which are currently being updated) see <http://taen.org.uk/adl/guides>

# 3. Questions and answers about removal of default retirement age

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Here are some questions and answers to take you through the implications of the repeal of the default retirement age, if you choose to work later.

## ***Does abolition of fixed retirement ages mean employees can go on working for ever?***

No, of course not, though in some jobs, people may decide to carry on a lot longer than might have been allowed previously. Experience suggests that for many people, working two or three years longer is all they really want. There are no hard and fast rules - some people may decide to work as long as they are physically able. Of course, if you were no longer able to do the job properly your employer could dismiss you on grounds of capability. Were such a situation to arise however, one would expect your employer to have had proper discussions about it with you.

## ***What do employers think about this - aren't they going to make the lives of older workers difficult?***

Many employers value their older employees and do not see working longer as a particularly negative thing. On the other hand, some worry that workers' ability to do their work will decline. (See the above point in response to this.) Employees may be able alleviate some of these fears by discussing their personal expectations informally with their line managers.

## ***What about the jobs where you feel worn out by 65?***

Someone who genuinely can't continue to do the same sort of physically demanding job cannot expect to be allowed to continue – but then they probably would not want to anyway.

If your employer believes there is a case for dismissing someone on grounds of capability, they should follow proper procedures. If this affects you, you should explain what you can do rather than focus solely on what you can't. Changes to the job might be possible or perhaps there is a workplace adaptation that would make it possible for you to carry on working – a bigger computer screen if your vision is deteriorating, for example.

It is worth remembering that even though lack of capability for specific tasks is a fair reason for dismissal, it may not be sufficient if there is other work that can be done or a workplace adaptation that could be made. Dismissing someone simply because part of the job has become difficult to perform could well be unfair dismissal if the employer does not investigate other possibilities.

## ***What is a reasonable amount of time for me to consider working longer?***

That has to be for you to decide, in conjunction with your family probably. Many individual employees plan retirement to suit their personal circumstances (e.g. the retirement of a partner) and look forward to the day when they can 'hang up their boots'. Some feel passionate about their jobs and may want to go on working for a very long time.

The new law will make it possible to work on as long as you can do the job capably. There are plenty of examples of longer serving employees in their 70s or older, but many people work only a little longer.

***Will my working conditions remain the same if I work on beyond 65?***

Changes to conditions cannot be imposed just because you work longer, but it is always possible to change your job responsibilities or working conditions by agreement. This should happen after discussion with your employer. Any change imposed to the fundamental terms of your employment contract could, if you chose to take it as such, provide the basis for a claim for constructive dismissal. Caution is needed however and unfair dismissal claims are best avoided unless there is absolutely no alternative. A pragmatic approach welcoming reasonable changes which support you in working longer should be your preferred route.

***Could I run into problems if my performance in the job declines?***

Your standards need not necessarily fall just because you get older. Many older workers perform superbly and bring something extra to the job because of their years of experience. However, if you find you are not performing your work properly, you will obviously face problems.

***What approach should I adopt if I am criticised for poor standards?***

You should take any criticisms seriously and answer them to the best of your ability. If for some reason you are no longer as effective as you once were, a discussion about the things you can still do really well may be the way to go.

***Am I allowed any leeway in misconduct issues because of my age?***

Very simply, no. You can't expect favours, but then you probably never expected them. In fact, a commonly held view is that older workers often set higher standards of behaviour for younger workers to follow.

***Can I expect adjustments to my working conditions to help me to work longer?***

Some employers fear making special arrangements for an older worker discriminates against younger workers but this misunderstands the law. The duty not to discriminate on grounds of age does not mean that everyone should always be treated identically regardless of any incapacity or limitation. If you had, for example, a growing arthritic problem, you might not see this as a disability. But if your condition is affecting your work capacity it may be better to explain this. Your employer is under a duty to make reasonable adjustments to facilitate someone with a disability remaining in the workforce or to do the job. So while explaining a limiting condition may be embarrassing, it is probably better in the long run.

***How can older workers continue to be valued in the job?***

It is best to be flexible and think how you can use your skills to maximum effectiveness with your employer. Try not to give the impression that you have fixed views and are stuck in your ways. If you have useful knowledge that is not widely shared, teaching other workers could be a tremendous use of your time. You should continue learning new skills and change your role and responsibilities to remain versatile.

There are many other questions that may arise. It will be helpful to remember that many employers already allow their staff to work beyond 65 and that this age has no particular significance other than being the current male state pension age.

## 4. Why working longer is important for many workers

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As a society we are living longer. Figures released last year suggested that one in six people would live to see their 100th birthday. If you are a man of 64 years old, on average you will live another 19 years and one month. If you are female aged 64 your average life expectancy is now another 21 years and 6 months. But these are averages. If you are in good health and keep active, there is a good chance you will see your late 80s or 90s.

Medical science is helping to prolong lives, but few of us are sufficiently financially well provided for to finance a long period of retirement. Less than a third of private sector workers have company pension schemes. The full Basic State Pension of £97.65 is a national shame and many people have no savings to fall back on. Living longer in poverty is not an attractive option.

Many more people are therefore already opting to carry on working – some 874,000 people over 65 are now in work in the UK. Combining work with a pension seems to make sense and offers a more secure financial future.

### Making informed decisions

A key issue in deciding whether to work longer will be your pension expectations and savings. People often fail to check what their pension will be before they retire. This is a big mistake as assessments can change, particularly if your pension income will be based on annuity principles. Annuities have become much more expensive in recent years your pension income may, therefore, be much less than you expected. Staying in work may enable you to save more or pay more into a pension scheme if you need to do so.

You should have a clear picture of your finances over the long-term and then you will be able to plan and save accordingly. Choice about when to retire is only helpful if you can make sensible, informed decisions. Many people drift into retirement without a plan and without really wanting to retire

Delaying taking your pension in order to increase its value when you do receive it, could be one reason to continue working. If you delay taking your state pension by one year, the payments will be about 10 per cent higher when you draw it. Delaying by five years means it will be more than 50 per cent higher.

### People want and need to keep working longer

A Saga Populus survey of 13,000 over-50s conducted in June 2010 revealed that one-in-five (19 per cent) over-50s planned to continue working in their current job once they reach retirement age, and 9 per cent planned to continue working past retirement age but in a different job to the one they currently held. A further 9 per cent planned to do voluntary work when they retire.

The latest Saga Populus Survey asked why the over 50s want to keep working. 76% said they wanted to continue earning money, while 50% said they cannot afford to stop working. However, the majority also cited non-financial reasons with 70% saying they wanted to keep working 'to keep my mind active' and 64% said 'I enjoy working'. Other reasons were 'to keep me in a routine' (34%), and 'because I have a lot of experience to share' (41%). It is of course, a matter of choice. Not everyone will want to work on beyond what they have always regarded as 'retirement age'. On the other hand, retirement ages have always been a mixture of individual choice and affordability. The following are interesting examples:

## Case study 1

### **Britain's oldest boss**

Britain's oldest boss in 2009, Phyllis Self, was still working a six day week at the age of 101. Mrs Self put in a 36 hour week dealing with all the correspondence, payroll and personnel matters at the garden centre business she had opened 40 years before. "The secret is keeping busy all the time, meeting people. That's what I love," said Mrs. Self, who was a director and company secretary of the company in Wiltshire. "I have got a scooter that I use to get around the garden centre and have a scoot around at least three times a day to keep in touch." Her son Chris, 70, was the chairman and two of her grandsons were managing director and marketing director.

**The Times, 3 July 2009**

## The policeman's tale

The panel below tells the story of Nick Page, a US airline pilot who decided that he was not ready to retire although he had been forced to do so as a pilot. Having always been interested in the police, Nick decided to try to become a policeman at the age of 63. Nick found his life experience and past career provided great advantages both to him in the way he did the work and to his employer.

## Case study 2

### **Nick Page:**

FT Magazine<sup>1</sup> carried a story of a retired airline pilot in the USA who decided to become a policeman. He was fit (having been a regular marathon runner) and well able to cope with the physical and mental tests involved and successfully completed all the training, becoming a 'rookie cop' at the age of 63, an age when many police officers in the UK would have been compulsorily retired. Nick says:

"I bring a lot to this job that someone straight out of school doesn't have. I've been married, I've got kids and grandkids, I've had other jobs, I've travelled. I don't feel old and now the guys and gals I work with don't see me that way either. We get 4,000 calls every day in the Las Vegas Valley district. When I go out on call, the public respects me. They don't see a man in his 60s as a threat. They don't try to get in a fight with me, they tell me their troubles."

"Last year, I got a Life Saver Award for saving a guy who was trying to commit suicide – that was the best I've ever felt. I can be a cop for as long as I want, provided I can do the job. It's been three years now and I'm thinking I'll do it for ten. I love it. No two days are the same. It keeps me bright, you have to think on your feet. The camaraderie and esprit de corps that I thought I had in the cockpit are nothing compared to what I have now."

## Why changed working arrangements could affect retirement decisions

Not everyone needs conditions to change in order to carry on working, but successive Saga surveys show that many people would like to work beyond retirement age though not necessarily on the same terms.

Getting rid of mandatory retirement is good news, but alone it may not make working later much more common. On the other hand, changes to working time, flexible working practices, new approaches to career development or redesigned job roles could make working later a realistic choice, benefiting both you and your employer.

Some people want different hours. Others would like a changed job role. Perhaps part of the job you do has become difficult to manage even though there are other aspects you enjoy. If so, what can you do about it? How might you persuade your employer to make your job and workplace more age friendly? These issues are considered in the next section.



## 5. Thinking about working longer

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There could be any number of changes that would make a difference to your ability to continue working. For example, you may find standing up all day has become a strain but feel it would be perfectly easy to do the job sitting down. Or perhaps some aspect of the job has become too much to manage although there may be other things you are willing and able to continue with.

Pointing out that you feel disadvantaged by an aspect of working conditions and suggesting a practical way it could be changed is more likely than any legal claim to produce a friendly, workable solution. In any case, you should be wary of getting involved in costly litigation even though the law may be helpful when you are considering whether to work longer.

It is worth thinking about this from your employer's point of view. Firstly, you may have the skills, experience and knowledge that they need in the organisation but will lose if you retire. Secondly, they will have to think about the implications of having a wider spread of ages in the organisation anyway, because other workers may decide to work longer. So things are probably going to have to change.

There is a legal point too. If there is an aspect of your present working conditions that puts older employees at a disadvantage, this could amount to indirect age discrimination which might be challenged in an employment tribunal. Employers will need to eliminate such practices if they are to avoid such claims

### Working flexibly

Flexible working conditions are of benefit to employees of all ages who have to combine work with other responsibilities. Research on the values and needs of older workers highlights the importance of more flexible working opportunities.

Flexible working can include flexi-time, home working, term-time working, peak time working, compressed hours (working your agreed hours over fewer days), part-time working, annualised hours (see Glossary), job shares, and staggered hours and this is by no means an exhaustive list.

Flexible working of some form may be better for you than retirement. It allows you to earn an income whilst cutting back on the intensity and pressure of working the same hours every day. A change of hours may suit your employer too.

If you are considering reducing your time commitments in some way, you could try thinking of the kinds of changes you would be happy with and then consider how these might benefit your employer. Here are some examples:

#### ***Cutting back on hours***

Your aim may be to reduce your hours of work so that you can continue working longer and delay retirement. Your employer may see benefits in keeping all your knowledge and skills while only paying you a part-time salary.

### ***Changing job content***

You may not want to continue with heavy, stressful or tiring work any longer. Perhaps you have useful knowledge your employer would like you to share with other workers. You could offer to teach or mentor other employees as part of a changed role.

### ***Short-term and peak demand working***

Perhaps you would like to have blocks of time when you can be away to visit family or travel. This might work if your employer needs people to work on short-term projects or to cover for staff with younger children during school holidays. It could provide an opportunity to supplement your income after formally leaving to take your pension or it could be a new way of working without you needing your pension to supplement it.

These sorts of ideas could be presented as a package of suggestions to put to your employer if you are keen to preserve some kind of link with work. Whatever suggestions you plan to make, try to explain the changes you are looking for but also make clear how your employer would benefit.

## Examples of flexible working

In BT, a series of measures have been introduced to make it easier for people to work flexibly. Some 10,500 of BT's employees work from home and in the region of 75,000 work flexibly in some way. They work part-time, compressed hours (See Glossary), have job share arrangements or use other methods of flexible working from a portfolio of options.

The Cabinet Office in the UK offers another example of flexible working options for older employees. Arrangements allow for individuals from the age of 55 to reduce their job responsibilities or hours with a corresponding reduction in salary, and a partial pension. Other examples of non-standard retirement options are given in the next section.

# 6. New strategies for older workers – options to consider

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## Avoiding cliff edge retirement

Flexible working conditions, as explained above, can help people to continue in work whilst winding down towards gradual retirement or they may simply represent a new way of working on with no particular retirement date in mind.

Family responsibilities, combined with stressful work and a feeling that life is somehow passing you by, may push you towards retirement. Many people do indeed retire for these sorts of reasons and then wonder whether there might have been a better option. As one older jobseeker put it: “Retirement isn’t all it’s cracked up to be. I am tired of the golf club and would now like to find some work!”

The answer may be to see retirement less as a sudden event and more as a process. Instead of retirement being the edge of the cliff when work abruptly comes to an end, why not treat it as a gentle slope to stroll down at a pace that suits you?

Your employer may offer some of the sorts of arrangements described, but even if they have no such defined policies they may be willing to introduce arrangements if a good case is presented.

## Legal rights of part-time and flexible workers

Part-time workers are protected from less favourable treatment than full-time workers unless such less favourable treatment can be “objectively justified”.

## Towards retirement options

Maybe you are approaching an age when retirement is proposed as the next corner to turn but you want to keep working. Keeping active and having interesting things to do will be important when you eventually retire, however many people may want to consider part-time working before fully retiring.

Once the default retirement age goes, retirement can be delayed well beyond age 65, but straightforward retirement is now only one option. There are other ways you could move towards retirement whilst remaining in work. Employers are not obliged to facilitate all these changes, but they are options to consider.

### **1. Keep working longer, and still contributing to a pension scheme**

You could work on either full-time or part-time. If you continue contributing to a company pension scheme and your employer makes contributions too, this will help restore any years of contributions you may have missed out in the past and boost your eventual pension.

## **2. Work full-time without any change in your hours of work but taking your company pension**

If you are entitled to a company pension you may draw it and receive your salary too. If your job is working for the employer who is paying your pension you may have been obliged to break your service or move down to a lower role to be covered by flexible retirement rules. A pension and a salary may leave you better off than you have been before and you could consider contributing extra into a personal pension or other savings vehicle. Bear in mind that you don't have to pay National Insurance contributions after you reach State Pension age.

## **3. Reduce your working week taking a pay cut but drawing your company pension to compensate**

There are many ways of reducing your working time to suit your convenience. You could decide to take extra leave during the year, reduce your daily hours or the number of days you work in the week, take regular time out to study, follow a hobby, combine work with looking after a relative a spouse or a child, pursue a project or any one of a thousand other things.

### Case study 3

#### **Combining work and hobbies**

Fred Turner, 69, works two days a week at McDonald's and dedicates two evenings a week to his main passion in life: judo. Fred became the face of a campaign for McDonald's to celebrate its older workers' contribution to the business and encourage more to apply to McDonald's.

### Case study 4

#### **Reducing working hours**

University of Central Lancashire offer a Fresh Steps programme promoted to all staff aged 50+. One participant commented: I did some calculations, spoke to Human Resources, and then to my manager. I'm going to reduce my working hours to three days a week from October. I like the idea of a three-day week, and a four-day weekend, and it will break me in nicely for an eventual full retirement."

**Source: University of Central Lancashire**

## **4. Negotiate to take a sabbatical for a period of time with your pension rights and employment rights protected**

Having a break away from work may be the best thing you ever did. You could go abroad to see friends, make that trip of a lifetime or catch up on a major project. Having a break of this kind with the job to come back to, could be just what you need and may help you decide what you want to do as you move towards retirement, or not as the case may be.

## **5. Draw your company pension (if you are entitled to one) and reduce your role**

This is similar to option 3 above although in this case you would be reducing your responsibilities rather than your working hours. It would require you to accept a different role in the organisation which may take some getting used to, but it could be a great advantage to your employer in terms of succession planning.

## **6. Move to another role with your current employer**

This could be a sideways move without loss of pay, but perhaps different status and a different role. You could move into a position where you are passing on your knowledge and skills to other employees.

### **7. Retire, taking your pension but enter into a consultancy**

You could be doing similar work as you do already but working under a contract for services with your current employer. This might mean separate contracts on a week by week or month by month basis with spaces in between, doing work as and when opportunities occur.

### **8. Retire from your job and form your own business**

You could practice your trade or profession on a self employed basis – you can draw your pension (if you are entitled to it) at this point and use your earnings to cushion your business start up when you may not earn much initially.

It may not always be possible to continue your trade or profession on a self employed basis so it's worth thinking about which of your skills you could use in another role or whether you could turn a hobby or an interest into a business opportunity as the case study below illustrates.

## Case study 5

### **Setting up in business**

Garry Stephenson, age 55, had always been a keen amateur photographer and set up an innovative photography company just months after being made redundant from his job inspecting motorhomes for a large local vehicle importer. As a keen amateur photographer he had an interest and the skills to launch his new career. His company offers photographs taken from an unusual angle –the top of a special 50-foot mast.

He first got the idea from the internet: "I saw a pole advertised, then looked into what types there were, what they could do and what they cost. I found that I could get something suitable for not much more than the cost of buying a good fishing rod and all the kit.

"For me it ticked all the boxes. Firstly, something I could start almost as a hobby, but then secondly, something I could work with as a business. And then thirdly, something I could keep doing into retirement."

**Source: PRIME**

### **9. Embark on a portfolio career**

You can draw your pension while launching a portfolio career attracting earnings from different sources and mixing several jobs or self employed roles with other activities, perhaps of a voluntary or creative nature.

## Case study 6

### **Combining a job with self employment**

"Just wanted to share my good news with you. As you know, I teach dance here each year from September to April. From April this year, I will be opening a dance school with a partner, as well as teaching here. Thank you so much for giving me the chance to share my hopes and fears and I have to say it's a bit of a cliché but the University of Central Lancashire's Fresh Steps programme is a life-changing experience!"

**Source: University of Central Lancashire**

### **10. Do combined voluntary and paid work**

This can be similar to a portfolio career or it can be more limited with you reducing your paid work to increase the amount of time you already spend on a voluntary role, or perhaps to take up a voluntary role for the first time. As well as giving something back to society, volunteering can sometimes develop into other paid work or business ventures.

These are only some of the combinations of work and semi-retirement that might be available to you. In most of the above cases, it will be important to secure agreement from your employer. Much will depend on whether you have the knowledge, skills and services you can continue to apply to adapt to a new working life.

### **Two-thirds of employers 'already allow flexibility in retirement'**

A survey, undertaken in December 2009, looked at the provision employers are making for flexible retirement. Although two-thirds of the employers had policies allowing for flexibility in retirement age, the numbers of employees requesting to work beyond their normal retirement age was low as was the take up of flexible working options. Some organisations believed that removal of the default retirement age would encourage workers to stay in work longer.

**Equal Opportunities Review, February 2010**

## 7. Staying in touch with work after retirement

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If you think you would like to work in some form after retiring from your current job, it will be important to stay in touch with the world of work. There are different ways of achieving this: through your trade association, professional body, union branch or friends and former colleagues, for example.

### Professional practising licences

If you are professionally qualified and need a licence to practice, it would make sense to time your retirement so that there is an unexpired period on your licence, practicing certificate, etc. This would enable you to dip your toe in the water of self employment or consultancy without necessarily incurring the full costs of renewing your authority to practice.

### Alumni associations

Some organisations have alumni associations or similar bodies to keep former employees in touch which may be helpful if consultancy work or a short-term contract becomes available. Such associations can arrange a combination of social events and updating on company business.

Many employers already make these sorts of possibilities available to employees. If your employer does not already do so, you could suggest an initiative using any of the existing consultative arrangements or suggestion schemes provided by the company. You could talk to other employees in your general age band and see what they think of the idea.

### Networking

Effective networking is vital if you intend to become self employed and you should use any opportunity to consolidate your informal business networks. You must of course do this without breaking confidentiality or business etiquette. Be scrupulous to avoid conflicts of interest or theft of intellectual property. Be careful to check whether you have conditions in your employment contract that forbid contact with customers within a defined period of your employment ending.

# 8. Strategies to help extend working lives

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## Lifelong learning and employability

You can help maintain your employability by taking every opportunity for learning and varying your work experience. Whether you intend to work for yourself, find a new job or remain in the same role, keep your skills up to date and keep abreast of the latest techniques and thinking.

You may need to know about computer software associated with your present or future job or new technologies. Research shows that older workers are just as capable as younger workers are of learning, although they may need more time with IT training.

If you are lucky, your employer may provide courses or learning opportunities specifically to encourage you to keep on learning. For example, Guernsey Post, the postal services company, has a two day retirement training programme covering the usual areas such as tax, pensions, well-being and benefits, and managing finances; but it also covers working beyond retirement. Such programmes can be valuable as you plan your future, either remaining with your current employer or moving on into something new.

Some employers may support your learning financially, but you should be willing to pay for training that will develop your personal resources if this is the only way and providing you can afford it. Learning may be expensive but ignorance can cost a great deal more and it is you personally who will often pay the bill for such neglect.

If you can contribute to learning as a project leader or mentor, this will help you to define a new role and demonstrate the added value you bring to the organisation. Using opportunities in this way can be good for you as well as good for your employer.

## Health and well-being issues

Looking after your health is important. Staying fit will help give you options and create a better impression if you are ever looking for work. Of course, this is a personal matter but if you are lucky enough to have an employer who encourages health promoting activity, you should take advantage of anything on offer.

An approach to healthy living integrated into your working life can help you reach your 60s physically and mentally fit for working longer. Whether you are in your 40s, 50s, 60s or older, keeping fit, dropping unhealthy habits and having a good balance of work and rest will make you feel better and more able to do your job well.

But at a time when many people in work are under stress and pressure, activities which relieve stress and keep you in better shape are a good investment.

As you get older this will become more important rather than less so. Whether you swim, run, play tennis or any other exercise or sport, keeping going in later life is the thing to do.

# 9. Discussions with your employer

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If your employer has not considered policies and practices for an ageing workforce until now, the repeal of the default retirement age may be a good moment to begin discussions on a new future. The fact that you may be able to continue working until you are ready to retire might help to emphasise the value of policies that will maximise everyone's potential.

## Asking to work flexibly

Certain categories of employees have a statutory 'right to request to work flexibly' at the present time. While it is possible that in future such rights will be extended to give all employees the 'right to request', it is worth considering how to use the partial coverage of the right as it currently stands.

Currently, the statutory 'right to request' is limited to employees who need to care for children under 16 (under 17 from April 2011) or for a spouse, partner or relative who needs care. The 'statutory right to request' for these categories of employees is matched by an employer's 'duty to consider' the case made out by the employee.

This means considering the arguments put forward and giving a reasoned reply taking into consideration the main issues that have a bearing on the business. In all of these sorts of cases, where the employee in question has the statutory 'right to request', the 'duty to consider' applies.

Even if you have a statutory 'right to request' flexible working, your employer does not have to agree if there is a good business reason to turn your request down.

If your circumstances are such that you do not have the statutory 'right to request' flexible working, you can still ask to work flexibly. While your employer is not under any 'duty to consider' your request, most employers would at least consider a well made out argument explaining the benefits which working flexibly might attract in your case.

If you are unable to work flexibly for your current employer, you may need to stay on full-time, or find alternative employment. However, as employers adjust to a workplace without a default retirement age and as age discrimination hopefully reduces over time, it should become easier for older workers to find more flexible employment.

# 10: Closing comment

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We hope this paper will give you some ideas to bear in mind when considering the options of retirement or working longer. Many people have already made their choices and have decided to work on beyond state pension or 'normal retirement' age. Others have until now been unable to choose because choice was denied to them. The repeal of the default retirement age law has changed the terms of debate and created opportunities for those who wish to work longer. We hope mature and informed debates will now ensue. We will be happy if this paper helps somehow in that process.

# Glossary

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**Objective Justification** – the law allows continued age discrimination if it can be objectively justified. To satisfy the legal test of objective justification there must be a “legitimate aim” and the means adopted to pursue it must be seen to be “proportionate.” This same legal test will be applied to situations where the employer wishes to continue to have a fixed retirement age by imposing an ‘Employer Justified Retirement Age’ (see below).

**Employer justified retirement age (EJRA)** – an employer can adopt a fixed retirement age if it can satisfy the “objective justification” test. Most employers will not want to take the risk of tribunal claims by adopting an EJRA. Much is likely to hang on the question of whether the forced retirement is strictly necessary or effective in pursuing an aim which everyone can agree is “legitimate.”

**Direct discrimination** – This would apply where you are treated less favourably than others because of your age. An example of direct discrimination would be where an employer decided not to promote somebody because they are “too old” for the role, even if they have the right skills, experience and qualities for the job.

**Indirect discrimination** – This would apply where there is not necessarily any intention to discriminate but nevertheless a condition or practice in the organisation has the effect that it disadvantages a higher proportion of people of a certain age. An example of such a practice or condition might be that a person has to be a “recent university graduate”. Where this happens, a claim can be brought to an employment tribunal backed up by evidence showing the effect of the practice. If the tribunal agrees that indirect discrimination is present, the employer could be asked to change the practice.

**Annualised hours** – This is an arrangement that allows employees to vary their hours of work from day to day or week to week, increasing and reducing hours or taking holidays within set limits on the basis that they will work a certain number of hours during the course of the year. Most annualised hours systems, whilst providing scope for employees to vary their hours, identify periods of time when they are expected to be available for work, for example during the Christmas rush period for certain service providing organisations.

**Compressed hours** – This is an arrangement that allows employees to work their agreed hours over fewer days.

## About Saga

Saga is focussed on providing services for those aged 50 and over. We have some 2.7 million customers. Our product range is diverse and includes, holidays and cruises, insurance, savings and other financial services. We also have a health care business that amongst other things provides over a million hours of domiciliary care for local authority and private clients. We also publish Saga Magazine, the UK's largest subscription-only magazine read by around 1.5 million people each month. The appointment of a director-general in 2010 provided a focal point for our non-commercial mission to champion issues affecting the lives of Britain's over 50s.

## About TAEN

TAEN – The Age and Employment Network was established in 1998 to help create an effective labour market for people in mid and later life, for employers and the economy. TAEN has grown into an internationally recognised organisation representing the leading experience on age and employment issues. For information about services from TAEN or membership, contact: [chris.ball@taen.org.uk](mailto:chris.ball@taen.org.uk) or go to [www.taen.org.uk](http://www.taen.org.uk)

## About the authors

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