

Employment Equality (Age) Regulations 2006

The TAEN Guides to the Age Regulations are primarily for individual employees, jobseekers and learners and aim to give a simple, clear explanation. They are neither a legal opinion nor a statement of Government views.

8 : Pensions

The general aim of the Age Regulations is not to disturb the arrangements for occupational pensions, so there is a long list of exemptions contained within them. This list of exemptions was extended by some supplementary regulations in December 2006.

Basic position

By their nature, pension schemes are related to age and stages of life. They need age criteria within them. Actuarial calculations have to relate to age; a pension calculation for two people aged 70 and 55 cannot ignore the difference in age. There is also an age at which you can first draw an occupational pension. Currently it is set at 50 but is due to rise to age 55 in 2010.

Since the Regulations aim not to disturb the arrangements for occupational pensions, it is unlikely that you will have valid grounds for claiming age discrimination in respect of your pension arrangements.

However the Regulations do cover the managers and trustees of pension schemes and they are not allowed to engage in age discriminatory activities.

Exemptions relating to pensions

The exemptions include:

- Minimum and maximum ages to join a pension scheme, including different ages for different categories of employees;

- Setting ages for entitlement to benefits from the scheme;
- Fixing early and late retirement ages;
- Using age in actuarial calculations;
- Varying contribution rates according to age;
- Linking pension levels to length of pensionable service;
- Setting a maximum age for transfers out of a scheme;
- Providing different pension schemes for different groups of employees of different ages;
- Setting age limits on benefits for dependants;
- Setting age-related increases in pension payments.

The Age Regulations do not allow pension schemes to put an age ceiling on continuing to contribute to (accrue) pensions.

However, some of the exemptions could hinder efforts to make pension schemes

flexible for those who want to extend working life in order to save. There is likely to be considerable evolution in pension schemes in the face of economic and demographic pressures and of the Age Regulations themselves.

You may wish to raise with your employer (and/or seek external advice on) situations which appear to put you in a less favourable position on account of your age. It is important that all the practical issues related to this are surfaced and discussed.

A detailed guide to the Age Regulations and pensions, including a useful listing of the practical implications of each exemption, is available from the DTI website at: www.dti.gov.uk/employment/discrimination/age-discrimination/index.html

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For more information or details of our other publications, please contact us or visit our website:

TAEN The Age and Employment Network
207-221 Pentonville Road
London N1 9UZ

Tel: 020 7843 1590
Fax: 020 7843 1599

Email: taen@helptheaged.org.uk

Website: www.taen.org.uk