



## **Remarks to the Oireachtas Joint Committee on Enterprise, Trade and Employment on the General Scheme of the Employment (Restriction of Certain Mandatory Retirement Ages) Bill 2023**

*Age Action is Ireland's leading advocacy organisation promoting equality for us all as we age.*



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Thank you for the invitation to present to the committee.

At Age Action, we feel very strongly about the issue of mandatory retirement. It is wrong in principle and deeply unfair.

At least four countries—Canada, the USA, Australia and New Zealand—have abolished mandatory retirement and have enjoyed productive, diverse workplaces for decades.

We are in no doubt, from a human rights and equality perspective, and from an economic perspective, mandatory retirement should be abolished.

I won't repeat the detail of our earlier written submission to the Committee, but our main concerns can be summarised in five points:

Firstly, mandatory retirement normalises ageism on a societal level. It does so by institutionalising stereotypes as reasonable guidance for decision-making, and also by further excluding older persons from society and preventing them from challenging the ageist assumptions made about them. In 2021, the World Health Organisation recognised the practice as ageist, in a report where they outlined the severe effects of ageism.

Secondly, mandatory retirement excludes older workers from normal managerial processes. Workers should not lose out on performance reviews and training by virtue of their age. It is not the purpose of the law to protect employers from treating their workers as adults and having difficult conversations with them.

Thirdly, we estimate that up to 4,000 people may experience mandatory retirement at age 65 every year. In addition, others are forced to retire at different ages.

Fourthly, age is not a reliable predictor of capacity. Where decline does occur, it can be offset by the strengths older workers have often accrued, for example in terms of experience, stress management, loyalty and intrinsic motivation to work. The differences within groups are often far more pronounced than the differences between groups, but a culture of mandatory retirement ignores the diversity among older

workers. The onus should be on employers to demonstrate performance issues, not a blanket assumption of incapacity to work at age 65 or age 66.

Finally, research clearly shows that mandatory retirement has deeply negative effects. The level of control a person feels over their decision to retire is the key predictor of their post-retirement well-being, both in the short and long term. It influences subjective feelings of happiness, mental health, life satisfaction, self-reported health status, dietary habits, marital satisfaction, self-efficacy, and income adequacy in retirement, as well as resilience to adverse life events that may follow retirement.

By forcing people to give up work, older persons earn less, pay less tax and draw down more support from the Department of Social Protection. That's a loss of skills and experience in the economy, and a bad deal for public finances, in the context of an ageing population that the Department of Finance has identified as one of the four key challenges the State faces.

In 2006, the OECD recommended the abolition of mandatory retirement in Ireland, noting that the commonplace practice was inconsistent with strategies to remove obstacles to working in older age.

The measures proposed by the Employment (Restriction of Certain Mandatory Retirement Ages) Bill 2023 retain the fundamental ageism that is inherent in mandatory retirement.

In brief, the Bill proposes to replace the age of 65 or younger with the “pensionable age”, meaning the first age at which a person could access the state pension.

This is defined in the Social Welfare Consolidation Act 2005 as currently meaning the age of 66.

The words ‘first age’ imply that an employer will be able to force the retirement of a worker at age 66 even if that worker wants to avail of the new option to defer access to the state pension, which can be done up to age 70.

The provision in the proposed Bill to require workers to give three months’ advance written notice to their employer is onerous on the worker. Some may be given verbal assurances that they will be kept on, or they might assume it. Others are likely to be simply unaware of this legal provision and will not benefit from it. This is especially likely for workers who are migrants or those who come from disadvantaged backgrounds.

Crucially, the Bill does not in fact prevent mandatory retirement at the age of 65 or below, it just changes the requirements the employer must meet. It is not clear that this will even narrow the circumstances in which it can occur, or create any impediment for employers.

The three options considered in the Bill’s Regulatory Impact Assessment are insufficient.

The Assessment should have considered the government’s aim of encouraging longer worker lives, as well as explicitly addressing the option of deferring the state pension.

The Assessment should have considered abolition of mandatory retirement.

Moreover the Assessment’s analysis of the three options is silent on rights and on the deep impact on people made to give up work. With reference to every department’s Public Service Equality and Human Rights Duty, the Assessment should have considered the human rights impact of the proposed law.

At the last general election, 13 TDs aged 65 or older were elected. From Age Action’s perspective, it is great to have a diversity of ages—from 22 to 74—represented in the

Dáil, and it is no surprise to us that people in their late 60s and 70s are well capable of the hard work involved in being a TD.

During the 33<sup>rd</sup> Dáil, another 12 TDs reached their 65<sup>th</sup> birthday. Could you imagine the disruption to the work of the Dáil if that had led to 12 mandatory by-elections? But TDs do not face mandatory retirement.

It would be wrong for the Dáil to pass a new law that enforces one retirement rule for TDs and another rule for low paid workers.

Age Action has a simple message for you today. Follow the examples of Australia, Canada and New Zealand, and ban mandatory retirement.