

EQUALITY ACT 2010

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 16: General and Miscellaneous

Schedule 9: Work: exceptions

Part 2: Exceptions relating to age

Retirement: paragraph 8

Life assurance: paragraph 14

Effect

835. This paragraph provides an exception for employers who provide life assurance cover to workers who have had to retire early because of ill health.

Background

836. This paragraph is designed to replicate the effect of the exception in regulation 34 of the 2006 Regulations.

837. Life assurance cover is usually provided in respect of people below the age of 65 (or the employer's normal retirement age if different). Such cover is not provided in respect of older people because, as the probability of death increases, it becomes more and more expensive to provide. If employers were no longer able to impose – or had to objectively justify – a “cut off” for the provision of such cover to those who have retired early, there is a real risk they would simply “level down”: in other words, they would cease to offer it to anyone. This exception is intended to avoid that happening.

Examples

- An employer who has no normal retirement age provides life assurance cover for an employee who has retired early due to ill health. If the employer then ceases to provide such cover when the employee reaches the age of 65, this is lawful.
- An employer who operates a normal retirement age of 70 provides life assurance cover for an employee who has retired early due to ill health. If the employer then ceases to provide such cover when the employee reaches the age of 70, this is lawful.