



**An Bille Fostaíochta (Aoiseanna Scoir Conarthacha),
2025**
Employment (Contractual Retirement Ages) Bill 2025

Meabhrán Mínitheach
Explanatory Memorandum



**AN BILLE FOSTAÍOCHTA (AOISEANNA SCOIR
CONARTHACHA), 2025
EMPLOYMENT (CONTRACTUAL RETIREMENT AGES)
BILL 2025**

EXPLANATORY MEMORANDUM

The Explanatory Memorandum does not form part of the Bill and does not purport to be a legal interpretation.

Introduction

The purpose of the Employment (Contractual Retirement Ages) Bill 2025 is to provide that an employee whose contract of employment specifies a retirement age that is below the pensionable age may notify his or her employer that the employee does not consent to retire at the contractual retirement age. The pensionable age is the age at which the State Pension becomes payable. On receipt of such notification, the employer must not enforce the contractual retirement age before providing the employee with a written reasoned reply and the retirement of the employee at the contractual retirement age is objectively and reasonably justified by a legitimate aim and the means of achieving that aim are appropriate and necessary. Provision is made for the protection of employees from penalisation for so notifying or proposing to notify their employers. Employees may refer complaints to the Workplace Relations Commission in the event of employers' non-compliance with the Act.

Set out below is a summary of the main provisions in each Part of the Bill.

PART 1 Preliminary and General

Section 1 sets out the short title of the Bill and provides for its commencement.

Section 2 provides definitions for the purposes of the Bill.

Section 3 provides that the Act applies to employees who have a contract of employment which specifies a contractual retirement age which is below the pensionable age and who have completed a probationary period. This section also provides that the Act will not impact on any retirement age which is set out in law.

Section 4 allows for expenses incurred by the Minister in the administration of the Act to be paid out of monies provided by the Oireachtas.

PART 2 Contractual Retirement Age

Section 5 provides that an employee whose contract of employment includes a contractual retirement age which is lower than the pensionable

age may provide written notice to his or her employer that he or she does not consent to retire at the contractual retirement age. The notice must be provided not less than 3 months and not more than one year prior to the contractual retirement date. Where a contract of employment provides for a longer notice period, the employee must make the notification in line with that notification period, provided it does not exceed 6 months.

An employer who receives a written notification may not enforce the contractual retirement age unless they can objectively and reasonably justify, as a legitimate aim, the retirement of that individual employee. The means of achieving that legitimate aim must be appropriate and necessary.

Where the employer proposes to enforce the contractual retirement age for an employee, notwithstanding the employee's written notification, the employer must give the employee a written reasoned reply within one month.

The employer must not retire the employee before either (a) giving that reasoned written reply, or (b) the first of a date on which the employee consents to retire or the date at which the employee reaches the pensionable age. Provision is also made for the withdrawal by an employee of their notification.

PART 3 Workplace Relations

Section 6 provides that an employee may refer a complaint to the Workplace Relations Commission relating to the employer's non-compliance with the Act. A decision by an adjudication officer will find that the complaint is either well-founded or not, and in the case of a well-founded complaint may require an employer to take a specific course of action including reinstatement or re-engagement. An adjudication officer may make an award of compensation which they consider just and equitable, of an amount up to the greater of 104 weeks' pay or €40,000. On appeal the Labour Court shall affirm, vary or set aside the decision of the adjudication officer.

Section 7 provides for associated amendments to the Workplace Relations Act 2015. This includes provision for fixed payment notices as an enforcement instrument in lieu of prosecution for certain offences under the Bill.

PART 4 Penalisation and Offences

Section 8 provides for the protection of employees from penalisation for proposing to exercise or having exercised their rights under the Act and prohibits employers from treating them less favourably.

Section 9 specifies that where the employer's behaviour is a contravention of both this Bill and the Employment Equality Acts 1998-2021, relief may not be granted under both the Bill and the Employment Equality Acts.

Section 10 creates an offence where an employer fails to provide an employee with a written reasoned reply in response to the employee's written notification that they do not consent to retire at the contractual retirement age.

*An Roinn Fiontar, Trádála agus Fostaíochta,
Aibreán, 2025.*

