



Compulsory Retirement and Age Discrimination

Some decent news for a change. Our HR Consultant, Lesley Thompson, has recently written to us about an important ECJ judgment on compulsory retirement. In [Rosenblatt v Oellerking Gebaudereinigungsges mBh](#), the ECJ held that a compulsory retirement age of 65 in a contract of employment - whilst *prima facie* discriminatory on grounds of age - is justified if the following conditions are met:

- The contract (i.e.the retirement age) has been collectively negotiated with a union;
- The employee will receive a pension (on the facts, a state pension, but presumably an occupational pension will do when the state pension age rises) so that they have replacement income; and
- Compulsory retirement has been in widespread use in the relevant country for a long time without having had any effect on the levels of employment.

This has massive ramifications for employers seeking to justify a compulsory retirement age after the default retirement age is abolished in October 2011. However, be aware that UK tribunals have been reluctant to date to follow the liberal approach of the ECJ when it comes to justifying age discrimination.

Taxing Times

January 2011 is looming fast and with it will come the increase in the standard rate of VAT to 20%. Please be aware that the new rate comes into effect on 4th January and not on the 1st. We will be sending out a note to our Sage users about how to handle the change over.

If you are considering investing in plant and equipment (including things like computers) you need to be aware that the Annual Investment allowance ceiling is being reduced from the current £100,000 to £25,000 on 1st April, 2012. Therefore the calendar year 2011 is likely to be your optimum year for maximising your reliefs. As usual we urge you to invest for commercial reasons not for tax savings reasons.

The Comprehensive Spending Review has now taken place and the tabloids have come out with the not unexpected daft headlines. Boy George is clearly taking a gamble that the private sector will fill the gap created by the public sector reductions. This however will only happen if (a) the tax structure for entrepreneurs is made more encouraging and (b) the banks scrap the, frankly ridiculous and anonymous, "underwriters" that score a lending decision and return that process to the relationship manager and thus enable business to be done with people not machines. Peter has written a Blog about this, which can be seen on our website at www.thomascox.co.uk

Team Update

Following Victoria's departure last month, we are delighted to announce that Frances Pardell has been appointed the firm's Director of First Impressions. Frances had been working with us over the last few months on a consultancy basis and so it was a bit of a "no brainer" when the vacancy came up. Peter first met Frances on the trek to Nepal last year (gosh is it really a year since that great adventure!) and she has previously worked at the BBC and Warner Leisure Hotels.

If you happen to notice the team in new clothing colours (especially Peter's shirts!) it's because our recent Team outing was a "Colour Analysis Day" – really quite enlightening!

Peter
21st October, 2010