

Guernsey Employment Frequently Asked Questions (International Employment Lawyer)

Briefing Summary: Carey Olsen is pleased to have authored the Guernsey section of International Employment Lawyer's (IEL) FAQs guide. IEL's International Employment FAQs provide concise answers to commonly asked employment law questions.

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Does your country have a statutory retirement age, if so, what is it?

Yes. From 1 January 2020, the statutory pension age started to increase incrementally by two months every year, rising from 65 years in 2020 to 70 years old. Therefore, those persons born in or after March 1979, will be the first group of people to be subject to the 70-year statutory retirement age.

Are employers permitted to specify a contractual retirement age within an employee's contract of employment?

Yes – currently. However, once age is introduced as a Protected Ground into the Prevention from Discrimination (Guernsey) Ordinance, 2022, it will no longer be possible to specify a contractual retirement age unless it can be objectively justified as a proportionate means of achieving a legitimate aim. This is expected to be no earlier than Q3 2027.

What are the legal implications for employers that enforce a mandatory retirement age?

Until age is introduced as a Protected Ground in the Discrimination Ordinance, unfair dismissal is the main risk. However, a dismissal arising from a mandatory contractual retirement age may amount to 'some other substantial reason' for dismissal, and as such can be regarded as a lawful reason, and accordingly, subject to a reasonable process being undertaken in effecting that termination, there will be little risk of an unfair dismissal claim. In the absence of a contractual retirement age, however, it is not possible for employers to force an employer to retire at the statutory retirement age.

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Are 'early retirement incentive packages' allowed? If yes, are taxes imposed on them?

Yes. Any payments thereunder would usually be regarded as a "Termination Payment" and therefore would be payable with the first £30,000 being free of income tax and social security contributions, and the remainder being taxable but free from social security contributions.

Please note that this briefing is intended to provide a very general overview of the matters to which it relates. It is not intended as legal advice and should not be relied on as such. © Carey Olsen (Guernsey) LLP 2026

