

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



Authors: Michael Hanson, Jay Webster, Bradley Houlston at Carey Olsen

There is no mandatory retirement age for private sectors workers. For public sector workers there is currently a mandatory retirement age of 68. The Bermuda Government has proposed increasing the mandatory retirement age to 70.

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



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Yes, employers can provide a contractual retirement age. However, whilst age is not a "protected characteristic" for the purposes of the Bermuda Human Rights Act 1981 (i.e. less favourable treatment on the grounds of age would not give rise to a discrimination claim), it is not a valid reason for dismissal under the Bermuda Employment Act 2000 unless pursuant to a retirement policy contained within a collective agreement between the employer and a recognised trade union. Therefore, in the absence of such a policy or collective agreement, a dismissal because of age can give rise to a claim for unfair dismissal.

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



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For private sector employers, a dismissal on the grounds of age may amount to an unfair dismissal <u>unless</u> the employer has an agreed retirement policy pursuant to a collective agreement with a recognised trade union. However, enforcing a mandatory retirement age will not give rise to a claim for discrimination under the Bermuda Human Rights Act 1981. Public sector employers can retire workers upon attaining the mandatory retirement age of 68.

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



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Yes. Early retirement incentive packages would still likely be considered "remuneration" for the purposes of the Bermuda Payroll Tax Act 1995.

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