

Employment (Contractual Retirement Ages) Act 2025 – What Organisations Need to Do

The Employment (Contractual Retirement Ages) Act 2025 came into effect on 29th of June 2026, introducing significant changes to how Organisations manage contractual retirement ages. The legislation provides eligible Employees with a new statutory right to notify their Employer that they do not consent to retiring at their contractual retirement age where that age is below the State pension age of sixty-six.

While the Act does not abolish contractual retirement ages, it places new procedural obligations on Organisations and raises the legal threshold for enforcing a contractual retirement age.

What Has Changed?

Eligible Employees who have completed their probationary period and whose contractual retirement age is below the State pension age of 66 may now submit a formal written notification requesting to continue working beyond their contractual retirement age.

The Act imposes a legal requirement to consider and respond to these notifications. Where an Organisation decides to enforce the contractual retirement age, the decision must be objectively and reasonably justified by a legitimate aim, and the means of achieving that aim must be appropriate and necessary.

This represents a significant strengthening of Employee rights in relation to retirement and requires Organisations to ensure that retirement decisions can withstand legal scrutiny.

Which Employees Are In Scope?

The legislation applies to Employees who:

- have successfully completed their probationary period
- have a contractual retirement age below 66, and
- submit a valid notification within the statutory time limits.

The Act does not apply where:

- the contractual retirement age is sixty-six or above, or
- retirement ages are prescribed by legislation for particular occupations.

Employee Notification Requirements

To avail of the new statutory right, an Employee must notify their Employer in writing that they do not consent to retiring at their contractual retirement age.

The notification must generally be submitted:

- at least three months before the contractual retirement date but no more than one year beforehand, or
- where a longer contractual notice period applies, that contractual notice period which must not be longer than six months.

The notification must also reference the statutory basis under Section 5(1) of the Employment (Contractual Retirement Ages) Act 2025.

As the minimum notification period is three months, the earliest contractual retirement date affected by the legislation is 29th of September 2026.

Employer Obligations

Once a valid notification is received, Organisations should engage with the Employee and carefully consider the request.

If the Organisation agrees to the Employee remaining in employment, the continuation of employment should be appropriately documented and reflected in the Employee's contractual arrangements.

If the Organisation decides to enforce the contractual retirement age, it must:

- respond in writing within one month of receiving the notification
- clearly explain the reasons for the decision, and
- demonstrate that enforcing the retirement age is objectively justified by a legitimate aim and that the decision is proportionate and necessary.

Simply relying on an existing retirement clause in a contract will no longer be sufficient.

The Updated WRC Code of Practice on Longer Working

Alongside the new legislation, the Workplace Relations Commission has published an updated Code of Practice on Longer Working.

The Code provides practical guidance for Organisations on managing retirement requests, objective justification, consultation processes and good practice. While following the guidance in a Code of Practice is not mandatory, it is admissible in evidence before the Workplace Relations Commission and the Labour Court and should therefore be carefully considered when developing policies and making retirement decisions.

Practical Steps for Organisations

Organisations should review their current retirement arrangements to ensure they are compliant with the new legislation.

Key actions include:

- reviewing contractual retirement ages across the Organisation
- updating retirement policies and Employee handbooks
- implementing procedures for receiving and responding to Employee notifications
- ensuring managers and HR teams understand the new legal requirements
- reviewing whether existing retirement ages can be objectively justified, and
- maintaining comprehensive records of all communications and decision-making throughout the process.

How Adare Trusted People Partners Can Help

Our services include tailored HR and employment law advice delivered by experienced and expert HR practitioners. Support and guidance are provided to enable Organisations to case manage individual and collective employment issues under all areas of HR and employment law including:

- Employment law compliance throughout the Employee lifecycle
- Retirement compliance, including contractual retirement ages, longer working requests and objective justification
- Contracts of Employment, Policies & Procedures, Managing Compliance
- HR Best Practice
- Advice on day-to-day matters
- Dedicated Client Manager
- Mitigation of Risk & Financial Liability
- Help desk support
- Commercial HR advice tailored for your Organisation

Adare is a team of expert-led Employment Law, Industrial Relations and best practice Human Resource Management consultants. If your Organisation needs advice, support, or guidance about employment law compliance, recent retirement compliance requirements or any HR issues, please contact Adare by calling 021 486 1420 or emailing info@adarehrm.ie to learn what services are available to support your business.