



CABINET OFFICE

*From the Chancellor of the  
Duchy of Lancaster*

Lord Gowrie

The Rt Hon Norman Tebbit MP  
Secretary of State for Trade and  
Industry  
Department of Trade and Industry  
1-9 Victoria Street  
London SW1H 0ET

MANAGEMENT AND PERSONNEL OFFICE

Great George Street  
London SW1P 3AL  
Telephone 01-233 8610

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*RBPM*

*Lord Gowrie*

CIVIL SERVICE RETIREMENT AND RE-EMPLOYMENT POLICY

Thank you for your letter of 24 April. I fully share your view that the sooner we can extend the policy of withdrawing the option of formal retirement and re-employment in the same grade throughout the Service the better, and this remains our objective. The steady and continuing decrease in the overall number of staff being re-employed in this way is encouraging, but a substantial problem still remains.

I am therefore very pleased to see that the review of age retirement policy which your officials are at present carrying out may provide an early opportunity to implement the new policy in your Department. In the first instance, removal of the option by negotiation may, as you suggest, be possible as part of a general package of retirement measures. Even if this cannot be achieved however, changes in age retirement practices, particularly where these involve a move away from a policy of maximum retention, can in practice greatly reduce the incidence of formal retirement and re-employment, which only applies when a department wishes to retain an officer in service beyond the minimum pensionable age. And, as you may be aware, the ability of management to vary age retirement expectations, if necessary without the agreement of the trade unions, has recently been confirmed by a ruling of the Law Lords. So reviewing age retirement practice and policy in your department at this stage could potentially be of considerable benefit in helping to eliminate the option of formal retirement and re-employment.



Finally, you asked whether it might be possible to exclude the option for new entrants to the Department; my officials are seeking legal advice on this point and will be in touch with yours as soon as this is available. In most cases however, many years must inevitably elapse before such new entrants reach the minimum pensionable age and it may well be that tackling the option through the review of age retirement policies - which will affect existing and future staff alike - will provide a simpler and more practical solution.

I am copying this letter to the Prime Minister, other Ministers in charge of departments, to Patrick Mayhew and to Sir Robert Armstrong.

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T/m  
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GOWRIE



Civil Service

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