

## **Re-employment model remains relevant; retirement age should stay at 62: panel**

**IPS forum comprising employer, government and worker representatives shows that a fine balance has to be struck between jobs and costs**

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THE retirement and re-employment model for older workers continues to be relevant - and the mandatory retirement age should remain, according to employer, government and worker representatives on Wednesday.

Their views were made at an Institute of Policy Studies' (IPS) forum on older workers, where questions were raised on the retirement age and the re-employment age introduced in 2012.

The forum was supported by the Ministry of Manpower (MOM), National Trades Union Congress (NTUC) and Singapore National Employers Federation (SNEF).

Former Nominated Member of Parliament Kanwaljit Soin asked a panel made up of representatives from MOM, NTUC and SNEF why workers must retire at a relatively young age when they can now live much longer.

She added that the compulsory re-employment offer made to workers when they retire at 62 doesn't provide them sufficient security because the length of re-employment, which was extended in 2017 from the age of 65 to 67, is in practice determined on a yearly contractual basis.

This is also a concern expressed when the Tripartite Workgroup on Older Workers (TWG-OW) recently sought the feedback of some 500 employers, human resource professionals, workers and the general public.

Blackbox Research, which was commissioned by TWG-OW to engage them for the feedback, presented a summary of the older workers' aspirations and concerns at the forum.

"We want more job security," one older worker was cited as telling Blackbox Research. "It's a very big concern for those who can't find a job if (there's) no renewal." A union leader added: "Older workers don't have job security. They can't plan ahead when they get year-by-year contracts."

SNEF's vice-president Alexander Melchers, one of the panellists, said the re-employment scheme works fine, allowing older workers to work longer.

But he pointed out that the scheme couldn't offer a job guarantee. Whether older workers could continue to work beyond 62 would depend on the health of the economy, according to him.

MOM's Senior Parliamentary Secretary Low Yen Ling indicated that 98 per cent of the older workers in the private sector who wished to continue working after 62 were offered re-employment - and "the vast majority" of them were rehired in the same job with "at least the same wages as before".

She said the re-employment model met the government's objective of providing greater job assurance to older workers, but not at the expense of their employability. Re-employment and keeping the mandatory retirement age ensures that Singapore remains a competitive economy, she said.

Mr Melchers said 62 "is a very good retirement age" because "from then on, workers can work as long as possible". He added that 62 is also a good time "to allow the company to reassess" if a worker is fit to continue working.

NTUC's deputy secretary-general Heng Chee How said there are many ways employers could remove redundant workers - and not wait for them to reach the retirement age. However, he concedes that the retirement and re-employment model works as it has provided older workers more jobs.

In presenting older workers' aspirations and concerns, Vikas Sharma, research director of Blackbox Research, said most older workers see themselves working longer - into their 60s and beyond. They also want control over how long they work and flexibility in working.

He added that some older workers are reluctant to test themselves with new training, or are resistant to change. Some are willing to train but see a lack of support from employers.

While older workers are troubled by ageist attitudes at the workplace - which tend to undervalue their contributions - Mr Sharma said younger managers and workers are striving to work with older workers, as reporting structures change and new forms of communication are preferred.

Employers, on the other hand, worry about the rising cost of company medical and insurance coverage for older workers, he said. They also fret that poor health would make it tough to justify offering re-employment for workers.