

## **Iron out kinks in blueprint for elderly**

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IN HIS National Day Rally speech on Sunday, Prime Minister Lee Hsien Loong spent a lot of time addressing the issue of Singapore's ageing population. He revealed some unpublished information: There are 9,000 Singaporeans aged 90 and older, of which 500 are at least 100 years old.

With higher life expectancy, more are expected to reach such ages. Mr Lee cited a consultation by Reach — an agency to promote active citizenry — which showed that employment opportunities and inadequate funds for old age were the main concerns of older Singaporeans.

After diagnosing the problem, one of the Prime Minister's solutions is that Singaporeans should stay in the workforce longer. To help Singaporeans to do so, he has proposed a three-prong approach via education, legislation and incentives.

Various surveys have shown that Singaporeans want to work longer. They have also shown that employers are willing to hire older workers.

Yet, it is not uncommon to hear of jobseekers in their 40s and 50s complaining of difficulties in finding a job. Where is the mismatch? Is this a problem of the worker expecting too much or the employer offering too little?

Mr Lee is right that both employers and employees need to change their mindsets. Employers should rediscover the value of older workers to their business while employees have to adjust their

expectations regarding status and wages.

This could be done through public education, enhancing companies' human resource capability, and better preparation of and communication with older workers before retirement.

The Prime Minister announced that employers will be required to offer re-employment opportunities to their older workers who are reaching retirement age.

He did not go into the details but Minister-in-Charge of Ageing Issues Lim Boon Heng indicated earlier that there could be three routes — re-employment at the same job, re-employment at a different job in the same company and re-employment at a subsidiary of the company.

The last option seems to be available only to large companies and the first, only to those with specific skills that are in demand and in short supply.

For smaller enterprises, there may be real headcount constraints and a trade-off may have to be made between re-employing an older worker or employing a younger worker with the more urgently needed skill set. This could become a real dilemma for employers and there could be resentment at being required to offer re-employment to older workers.

To ease the problem of finding employment for older workers, smaller employers in similar industries may wish to pool information to facilitate inter-company transfers. This way, the resources of elderly workers could be moved where they can best be utilised and employers need not feel stuck with their older employees.

As an incentive to both older workers and employers, the

Government will not only make the Workfare Income Supplement (WIS) available to older workers above age 55, but raise it as well. This is a very thoughtful move by the Government to make work worthwhile and to help workers prepare their retirement nest egg.

While the Government is prepared to legislate employment opportunities for the elderly, it remains silent on the matter of wages. As announced, there is no mechanism in place to ensure that employers, compelled as they are to re-employ older workers, will do so at a fair wage or employment conditions.

Would employers, feeling compelled to hire older workers, do so by offering them poorer terms? Given that older workers will be given access to WIS, wouldn't it be tempting for employers to factor in the wage supplement when determining wages for these older workers? So, wouldn't this mean that the Government and taxpayers will be subsidising employers?

The Government announced the formation of the Alliance for Fair Employment Practices in May last year. The principles of fair employment identified in its guidelines include one that calls on employers to "reward employees fairly based on their ability, performance, contribution and experience".

But this remains at the level of "moral suasion", and employers are "encouraged to abide by the principles ... and adopt the recommended practices".

If the Government is prepared to use legislation to ensure that older workers are re-employed, why stop at that?

It should also ensure that fair employment practices, such as fair wages, are applied. This way, it can reduce the likelihood of employers engaging older workers on less favourable terms only to

meet Government requirements.

When older workers are treated fairly, there will be less need for charity or hand-outs. For some older workers, having to resort to WIS may be a slight to their dignity.

As 91-year-old Mdm Lee Siew Lan, whom the Prime Minister cited in his speech, has shown, older workers do not expect charity, only kindness.

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