

# Forum on Older Workers

Wednesday, 9 January 2019  
Halls 2 and 3

Devan Nair Institute for Employment and Employability

IPS Forum on Older Workers  
SESSION I: Setting the Scene

**Speaker**

**Mr Lee Pak Sing**

**Divisional Director  
Workplace Policy & Strategy Division  
Ministry of Manpower**

Organised in partnership with

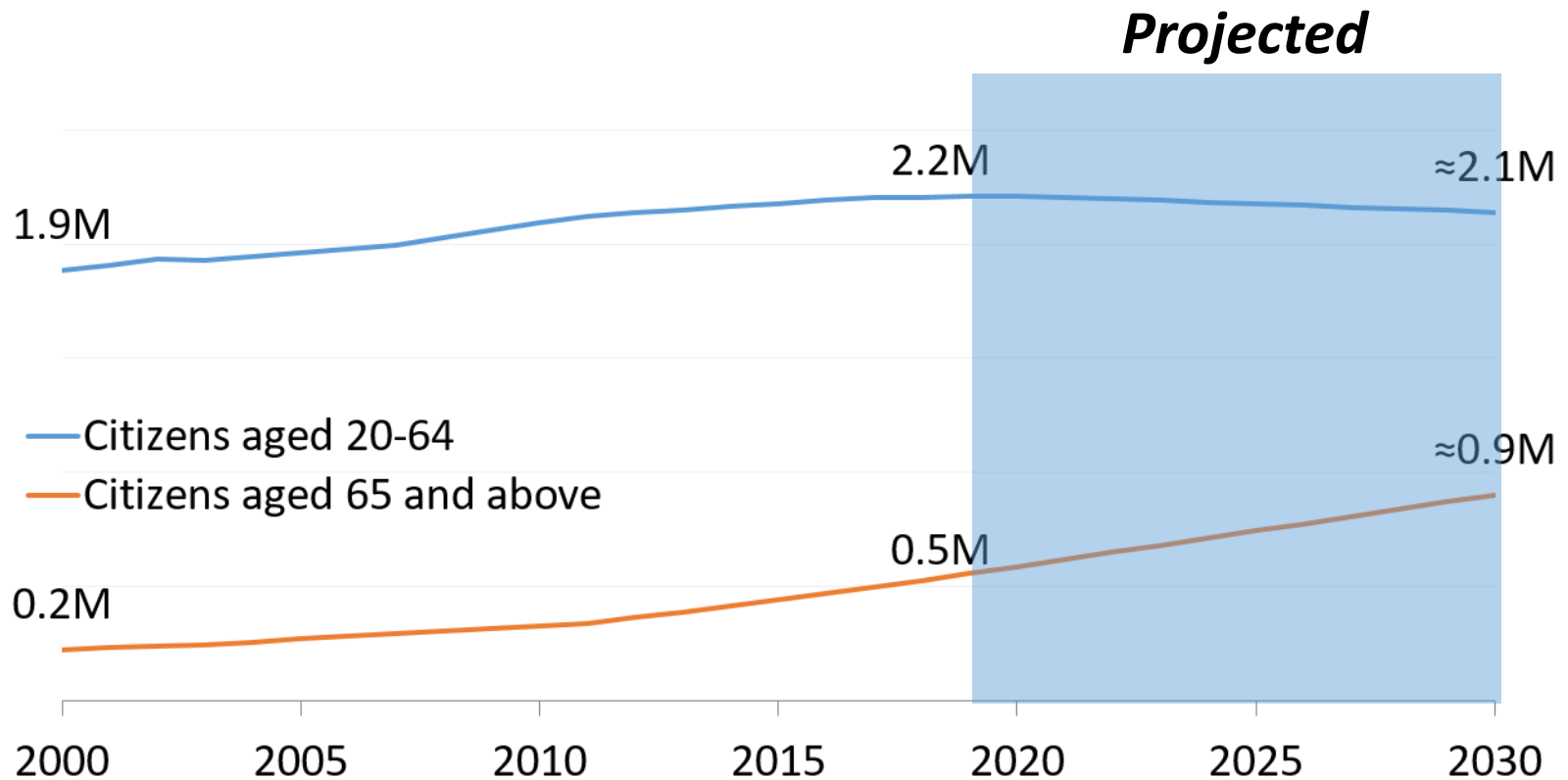
Setting the Scene:  
**Older Worker Employment and  
Retirement and Re-employment Policy**

Lee Pak Sing  
Divisional Director, Workplace Policy and Strategy Division, MOM  
Tripartite Workgroup on Older Workers Secretariat  
IPS Forum, 9 January 2019

# Key policy questions with an ageing demographic and longer life expectancy

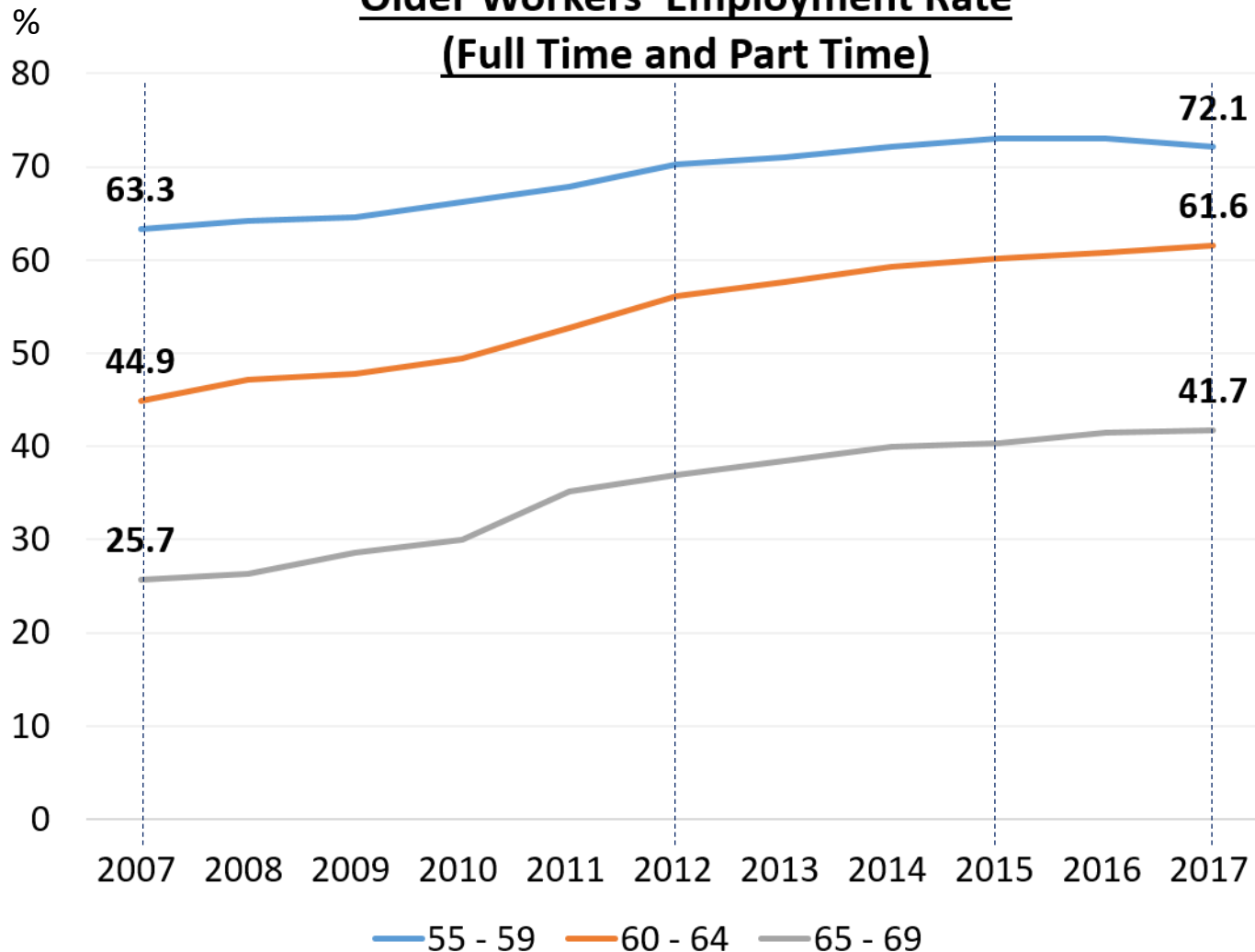
1. **Economy**: How can we maintain competitiveness with an ageing population?
2. **Company**: How can the workplace embrace older workers?
3. **Older worker**: Can I stay employed longer?

# Our changing population profile: Working age population peaks in 2020 while 65+ population nearly doubles by 2030



# Policy measures + positive economic conditions helped raise older workers' employment; bigger gains for older segments

**Older Workers' Employment Rate  
(Full Time and Part Time)**



2007:

- Govt announced intent to introduce re-employment law in 2012

2012:

- Introduction of Re-employment Age (REA) at age 65

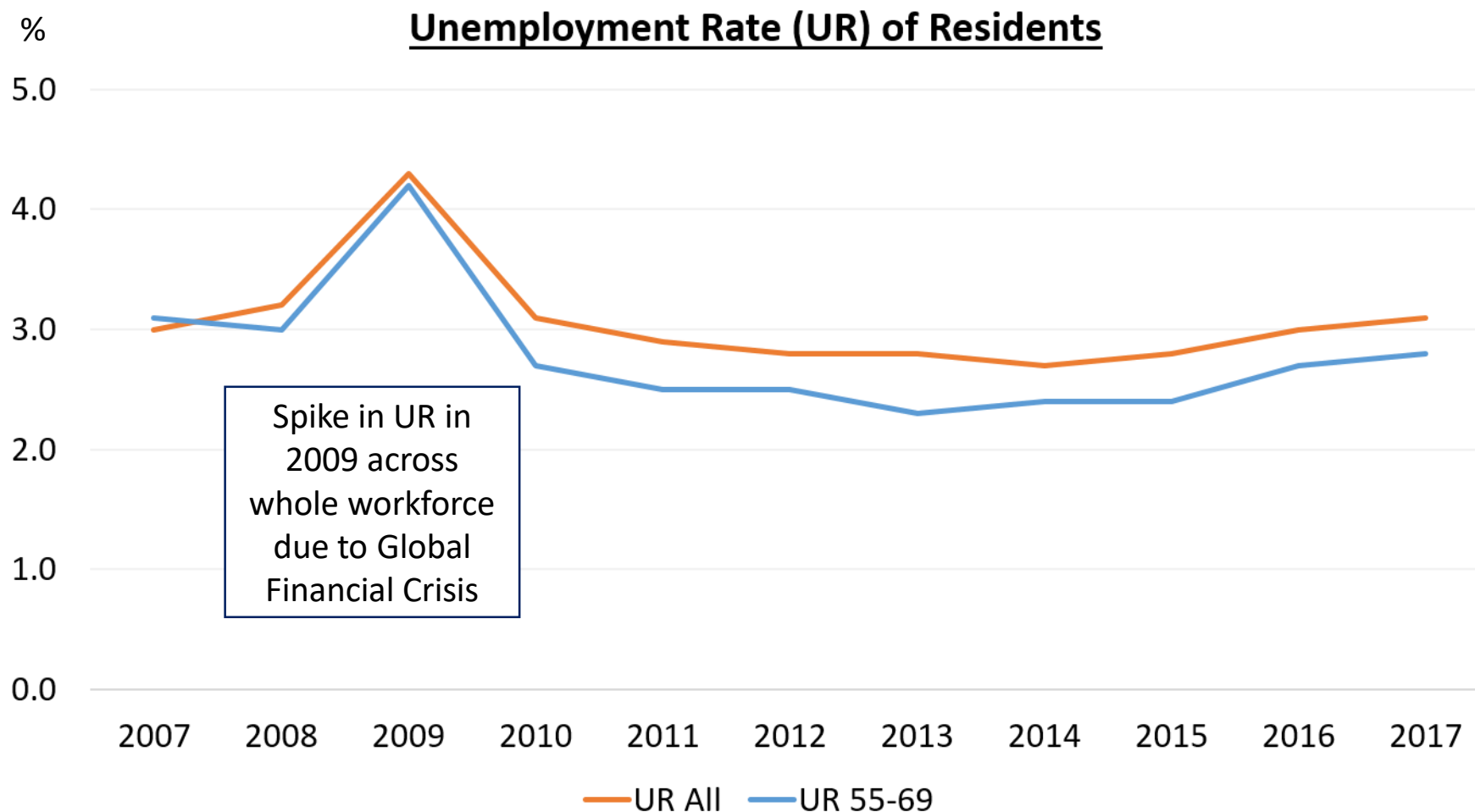
2015:

- Govt announced REA would be raised to 67 by 2017

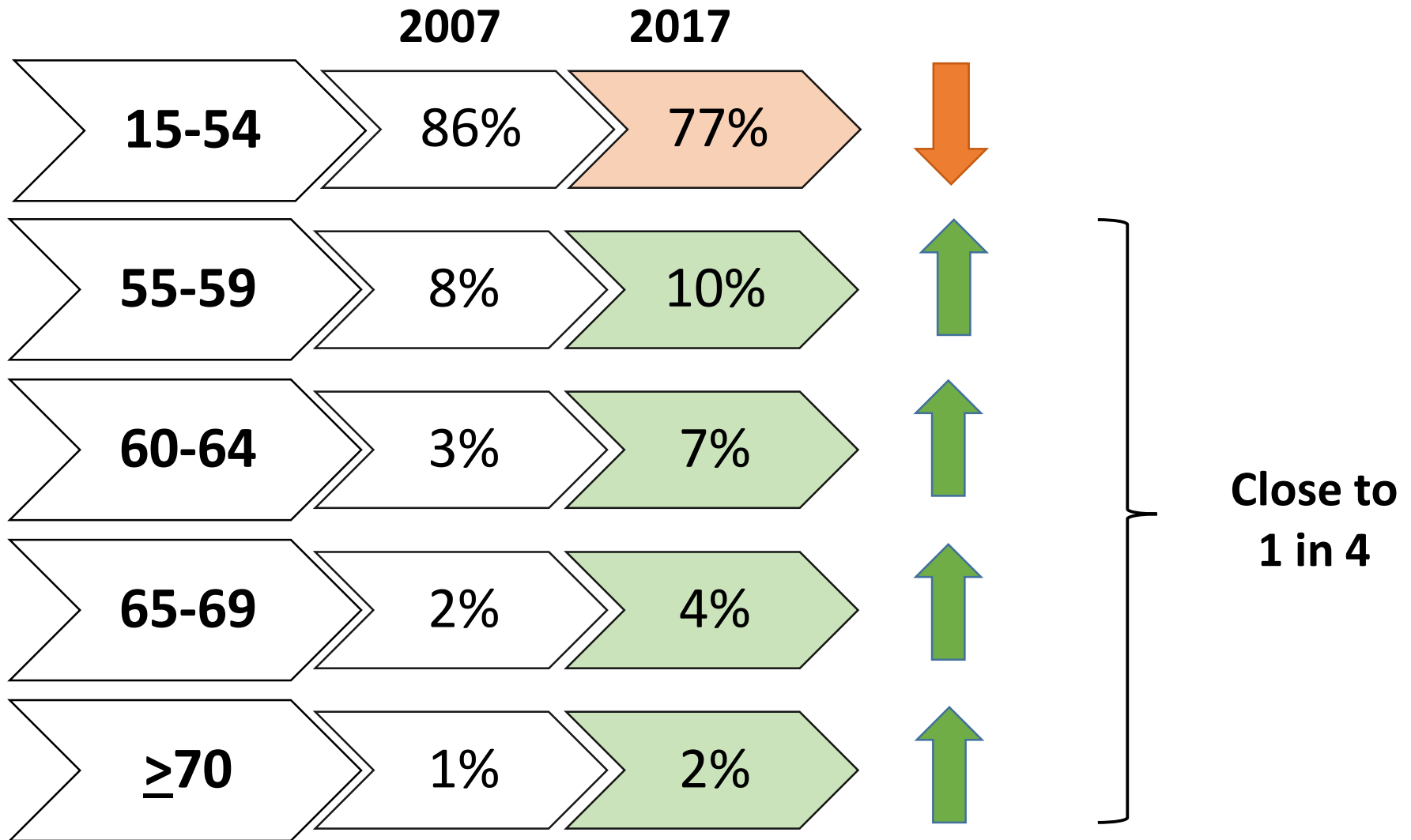
2017:

- REA increased to 67 from July

# Unemployment rate remains low; Older workers looking for work can find employment

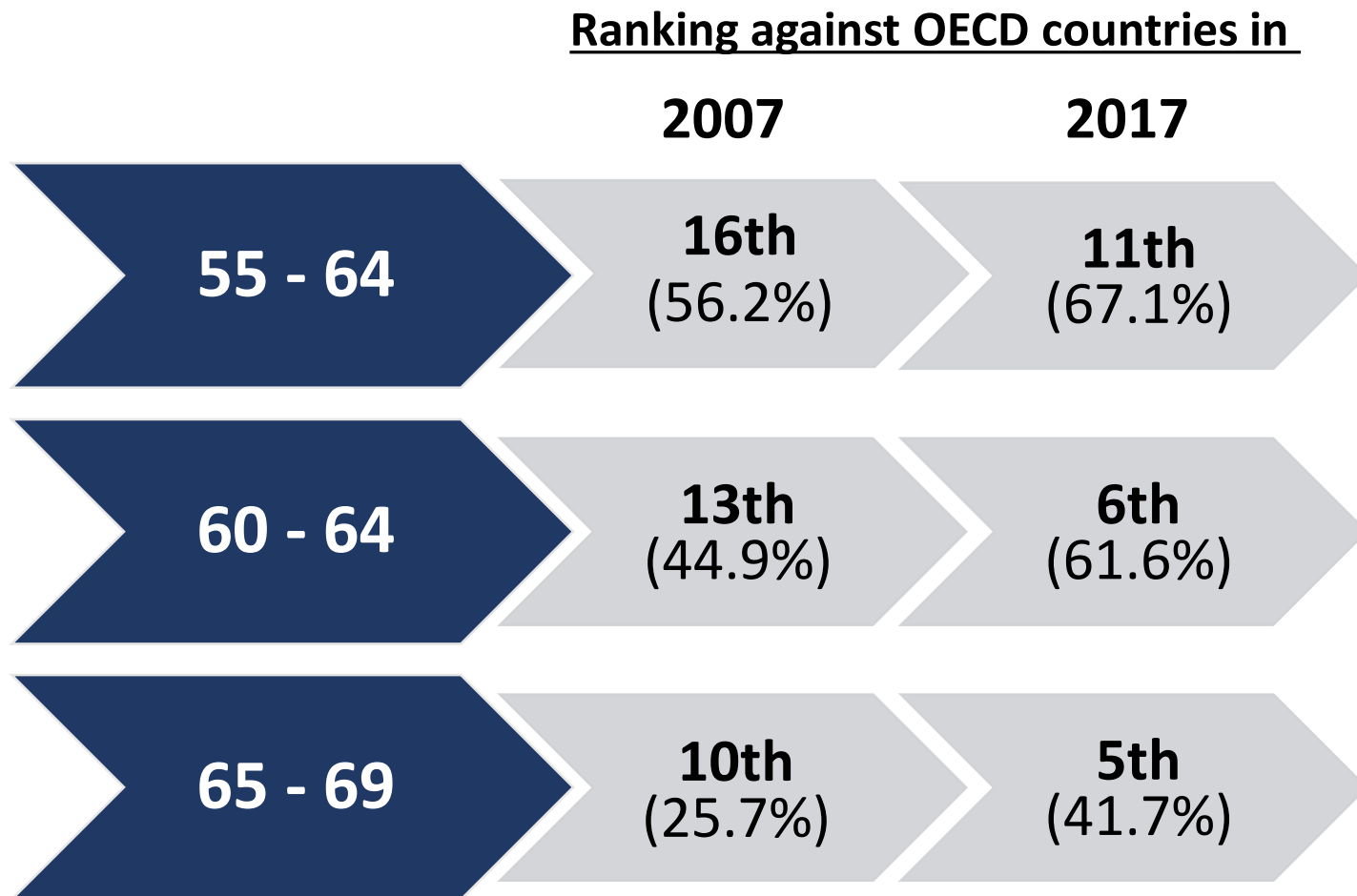


# Proportion of older workers in workforce has grown





# Our older workers' employment rate compares favourably against OECD countries, significant improvements for older worker segments



Sources:  
Singapore: Comprehensive Labour Force Survey, Manpower Research & Statistics Department, MOM  
Other economies: OECD Stat database  
Note: Data for Singapore pertain to the resident population and are for the period of June.

# Catching up, but still slightly below the average of Japan and Korea's older workers' employment rate

*\*All figures for 2017*

**55-64**

67.1

70.4

**60-64**

61.6

63.4

**65-69**

41.7

44.9

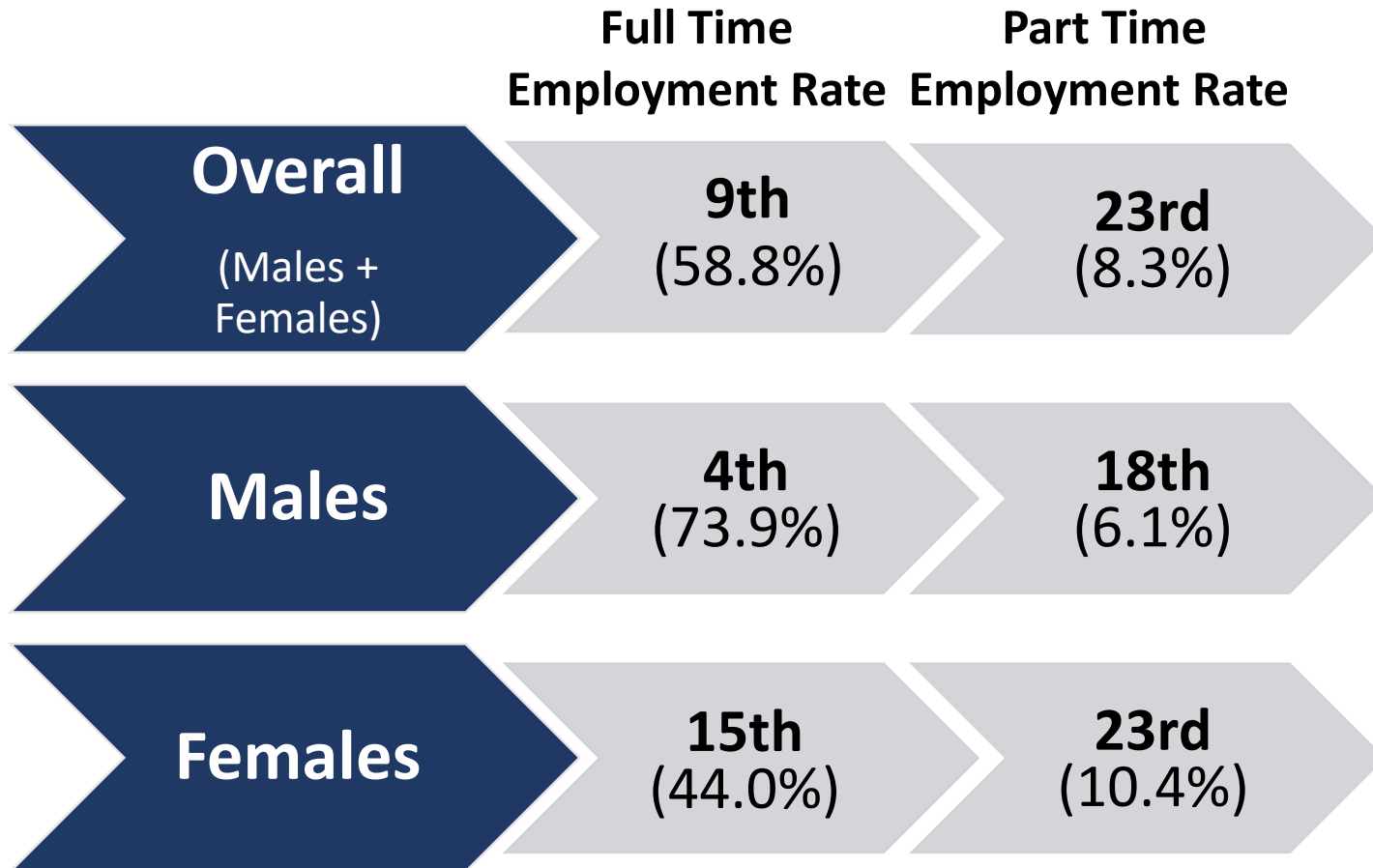
Singapore's  
Employment Rate

Average of Japan and  
South Korea

Sources:  
Singapore: Comprehensive Labour Force Survey, Manpower Research & Statistics Department, MOM  
Other economies: OECD Stat database  
Note: Data for Singapore pertain to the resident population and are for the period of June.

# But there is scope to raise part time employment rate

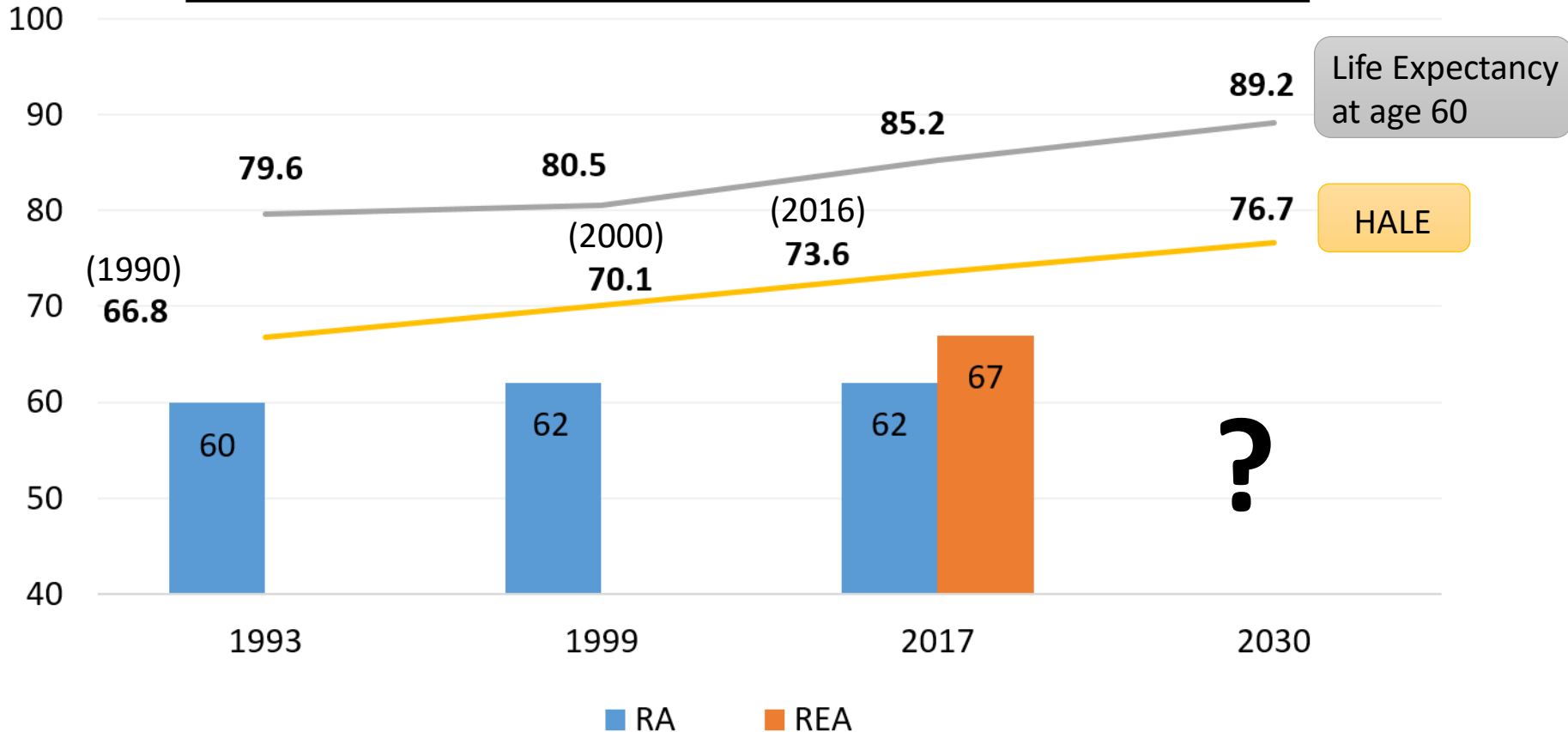
## Ranking against OECD countries for age 55-64 (2017)



Sources:  
Singapore: Comprehensive Labour Force Survey, Manpower Research & Statistics Department, MOM  
Other economies: OECD Stat database and national statistical agencies  
Note: Data for Singapore pertain to the resident population and are for the period of June.

# Potential to work longer as health and longevity improve

## Comparison of Retirement Age(RA)/Re-employment Age (REA) and Life Expectancy/Health Adjusted Life Expectancy (HALE)\*



\*HALE is a measure of population health that takes into account mortality and morbidity; it adjusts overall life expectancy by the amount of time lived in less than perfect health. DOS provides life expectancy figures for every year, but the Institute for Health Metrics and Evaluation only provides HALE for specific years (1990, 2000, 2016)

Note: REA was introduced at age 65 in 2012

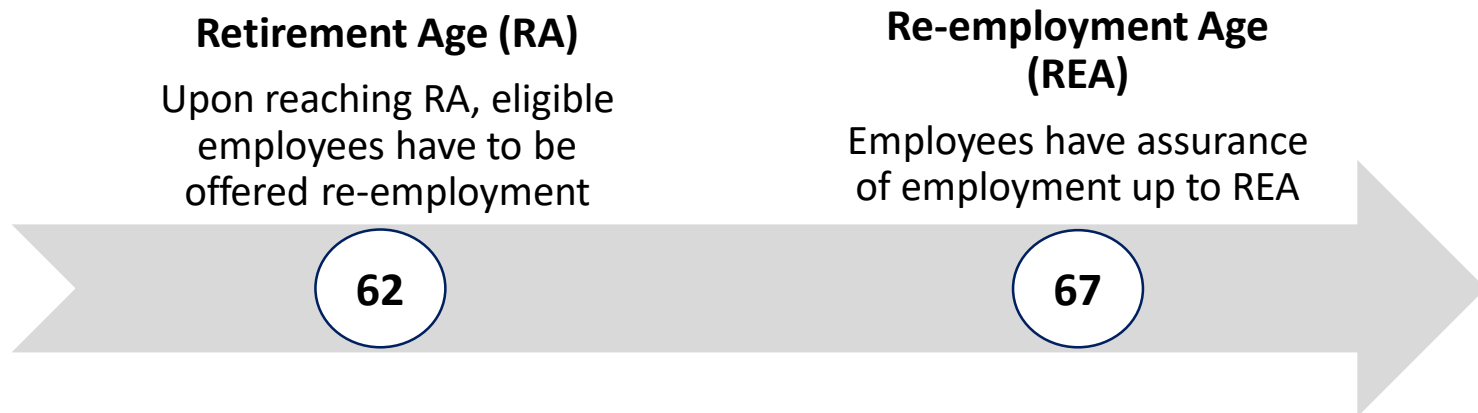
# Retirement and Re-employment Model

# Statutory Retirement Age first introduced to protect workers from being retired early by companies

- 1988 : Government encouraged employers to voluntarily raise company retirement age from norm of 55 to 60. But only 10% of companies surveyed did so.
- 1993 : Government introduced statutory Retirement Age, pegged at 60. Company not allowed to retire employees below 60.
- 1999 : Statutory Retirement Age raised to 62, together with cost-cutting measures e.g. reduction in employers' CPF contribution rate, allowing up to 10% reduction in wages for workers aged 60 and above

# Re-employment introduced to support workers who want to work beyond 62 and allow for business flexibility

- 2007 : PM announced re-employment concept at National Day Rally



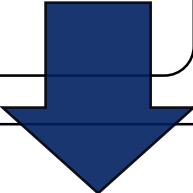
- 2012 : Re-employment Age introduced at 65
- 2017 : Re-employment Age raised to 67

# Vast majority of seniors who want to work are re-employed up to age 67

Consistently high re-employment rates since introduction of re-employment in 2012



> 98% of eligible private sector local employees who wished to continue working were offered re-employment at age 62



Vast majority of those who were re-employed in the same job enjoyed at least the same wages as before



# Re-employment model has led to higher older workers' employment rate



***The Retirement and Re-employment legislation has raised employment rate of the targeted group of older workers by an average of 1.6 percentage-points per annum since implementation in 2012.***

# Other initiatives in tandem to enhance employability of older workers and to support employers in retaining older workers

## Providing support to employers

- Special Employment Credit
- WorkPro grants for age-friendly workplaces

## Improving employability of older workers through higher subsidies

- Training
- Job facilitation

## Continued efforts to shape positive perceptions towards older workers

# Providing support to employers

***Employment Support encourages employers to hire older workers***

## Special Employment Credit

Wage offset for employers that hire older workers, *earning* up to \$4,000/month

Age Bands	SEC Payout Rates
55 – 59	3%
60 – 64	5%
65 – 69	8%
67 & Over	11% (Inclusive of 3% Additional SEC)

***Through WorkPro, Government funds up to \$425,000 per company to adopt age-friendly workplace practices***

## Age Management Grant

Up to **\$20,000**  
Adopt progressive **age management practices**

## Job Redesign Grant

Up to **\$300,000**  
Positive impact on workers aged 50 and above by providing **easier, safer and smarter jobs**

## Work-Life Grant

Up to **\$105,000** over two years  
Implement and sustain **Flexible Work Arrangements**

# Improving employability of older workers

## Training Support

### **SkillsFuture Mid-Career Enhanced Subsidy**

Singaporeans aged 40 and above receive higher subsidies for supported training programmes.

### **SkillsFuture for Digital Workplace**

helps older Singaporeans build basic digital skills and confidence.

## Job Facilitation

**Career Support Programme** to reduce wage mismatches for PMETs

**Professional Conversion Programme (PMET)** and **Place-n-Train (RnF)** to reduce skills mismatches

- More funding support for mature workers under CSP and PCP

# Shaping positive perceptions towards older workers

An initiative by

Tripartite  
Alliance for  
Fair & Progressive  
Employment  
Practices



WE ARE AT  
THE FOREFRONT  
OF INNOVATION WITH A  
WEALTH OF  
EXPERIENCE

ABILITY IS AGELESS

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EMPLOYABILITY OF  
OLDER WORKERS

When you include older workers into your workplace, you benefit from their wealth of experience, industry insights and unwavering reliability. Qualities that make them valuable assets and good mentors to their colleagues. Let's recognise the value of older workers and create an inclusive workplace today. Because age is just a number, and ability is what really counts.

Visit [tafep.sg](http://tafep.sg) to learn more about the business benefits of effective age management practices.

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**Thank You**