

Low Yen Ling: Older worker policy must not curtail competitiveness

Manpower parliamentary secretary says retirement, re-employment age still necessary

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The New Paper, 10 January 2019

The concept of a retirement age and re-employment age is still relevant, based on feedback gathered by a workgroup looking at policies for older workers.

While every older worker would want to continue to enjoy the same wages and benefits as long as they are working, this must be balanced with ensuring they remain employable and companies remain competitive, said Senior Parliamentary Secretary for Manpower Low Yen Ling yesterday.

"If the view of the employers is such that the labour market is quite rigid, not flexible enough, you may not see the effect immediately, but when the next investment decision comes, that's when maybe Singapore as a location may not be as attractive," she said.

Unlike Singapore, countries such as Australia and the United Kingdom are large markets and have a critical mass of local companies to provide employment even if overseas companies choose to leave.

She was responding to a comment posed by former nominated MP Kanwaljit Soin at the Institute of Policy Studies Forum on Older Workers.

Dr Soin had listed those two countries as examples of places where the retirement age was done away with, without affecting competitiveness.

Ms Low was on a panel with Singapore National Employers Federation vice-president Alexander Melchers and National Trades Union Congress deputy secretary-general Heng Chee How. All three are members of the Tripartite Workgroup on Older Workers.

The workgroup - which was first announced in May last year - is, among other things, reviewing the longer-term relevance of the retirement and re-employment ages, and examining if the Central Provident Fund contribution rates for older workers are adequate for retirement.

Singapore's full-time employment rate for workers aged 55 to 64 was 58.8 per cent in June 2017, putting it in 9th position against Organisation for Economic Co-operation and Development(OECD) countries.

But the Manpower Ministry's divisional director for workplace policy and strategy, Mr Lee Pak Sing, said at the forum that there is scope to raise the part-time employment rate for older workers, which stood at 8.3 per cent in 2017 for Singapore residents aged 55 to 64. This places Singapore in 23rd place against the OECD countries.

Many workers want flexibility in changing the intensity of work as they age, said Mr Vikas Sharma, research director at Blackbox Research, which organised public engagement sessions for the workgroup.

Speakers and participants at yesterday's forum suggested portable medical benefits and raising the training participation rate among older workers as ways to help them.