

June 27, 2006 – Vancouver, British Columbia Summary of Presentations

The following information was received with great interest by the Council. This information will be integrated with input from the public, presentations at the subsequent meeting, and background readings and research on the various topics, as the Council begins to develop recommendations for its final report.

The information presented here does not necessarily reflect the position of the Government of British Columbia or the Premier's Council on Aging and Seniors' Issues.

During their June 27 session in Vancouver, Council members were informed by a series of briefings that examined emerging changes in the nature of retirement, and the implications of these changes both for individuals and for British Columbia. Throughout the day, a series of involved community members, expert speakers and other panellists explored this theme from several different perspectives, including:

- Population aging and life-course flexibility
- Mandatory retirement, economic security and attitudes towards aging
- Workplace flexibility, retirement and pensions
- The “New Old” – media perceptions of older Canadians

Overview presentation: Population Aging and Life-Course Flexibility

Demographer Terrance Hunsley, a senior project director with the federal government's [Policy Research Initiative](#), provided Council with projections about the aging of Canada's labour force during the next two decades. His commentary made it clear that retirement patterns in a society with an aging population are complex – and affected by many different factors.

- If current trends prevail, Canada and BC will experience labour shortages in the next 25 years. The factors making prediction difficult include:
 - If the economy delivers productivity gains because of a better-educated labour force or new technology.
 - If older workers start to spend two more years in the labour market before retiring than at present.
 - If women – who currently have lower lifetime participation rates in the labour market than men (often because of care-giving responsibilities) – work more during their lifetime.
- Research shows that many people would like to work longer before retiring if conditions were right. Terrance Hunsley suggested there were several options available to employers and government:
 - Make work hours more flexible, allow for *phased retirement*.
 - Change Canada Pension Plan regulations so that they do not encourage early retirement.
 - Allow older workers to draw pensions while still working part time and contributing to the pension plan.
 - Allow accumulation of credits after 65 if continue to work.
 - Implement public policy to prohibit age-defined mandatory retirement.

During the ensuing discussion, the following observations were made:

- Flexible retirement and working longer are only likely if the older population continues to be in good health – something that would be facilitated if the health-care system put increased emphasis on *healthy living*.
- Recent immigrants to Canada may face some hardships related to retirement income because:
 - They may not qualify for income-supports because of length of time they have been in Canada, or may have low CPP because they only worked for a few years.
 - Delay in evaluating or approving foreign-earned professional credentials – which reduces their ability to work in higher paying jobs and contribute to pensions, RRSP's, and retirement savings.

Mandatory Retirement, Economic Security & Attitudes Toward Aging

The Council then heard three presentations that examined mandatory retirement from a variety of perspectives:

- **Professor C. T. Gillin**, [Ryerson University Department of Sociology](#) and editor of Time's Up!, a 2005 analysis of mandatory retirement in Canada
- **Barry Thomas**, BC representative, [Canada's Association for the 50 Plus \(CARP\)](#), a national advocacy organization representing the interests of older Canadians
- **Bernice Gehring**, [Women Elders in Action \(WE*ACT\)](#), a Vancouver-based advocacy group representing the interests of low-income, older women

Professor Gillin defined mandatory retirement as an employment practice enabled by human rights codes that allow age discrimination after age 65, often based on collective agreements or employer practice that require employees to retire at a specific age.

- Mandatory retirement has been completely eliminated in some Canadian jurisdictions, partially eliminated in others, and remains intact in BC. It is prohibited in Australia, New Zealand and the US.
- Supporters of mandatory retirement argue it is needed to create opportunities for younger workers; it supports competitiveness by replacing high-cost older workers with lower-cost younger ones; and it respects hard-won pension rights.
- Critics of mandatory retirement argue it violates the human rights of older Canadians, and it is unnecessary, as there is a coming shortage of skilled labour that is likely to undermine economic growth in upcoming decades.
- Professor Gillin made three recommendations to the Premier's Council:
 - Immediately eliminate mandatory retirement by changing the B.C. Human Rights Code to provide protection against age discrimination for people over age 65.
 - Provide the same benefits and supports for all workers, regardless of age.
 - Consult with Manitoba, Quebec and other jurisdictions to identify best practices in the elimination of mandatory retirement.

Barry Thomas of CARP pointed out that public attitudes towards older Canadians are often shaped by inaccurate myths, whereas:

- The reality is that most older Canadians are active and are involved in their communities.
- Overall, in 2001 Canadian seniors paid \$14 billion in taxes – not counting Quebec (while, at the same time, some seniors do struggle with poverty).
- The aging population is projected to add only one or two per cent to total health costs.
- CARP views mandatory retirement as ageism – and strongly opposes its continuation in BC as a violation of human rights.

Bernice Gehring of WE*ACT provided Council with an extensive review of the higher incidence of poverty in older women compared to men in the same age groups.

- The roots of this imbalance are found in lifelong patterns:
 - Caregiving (for children, spouses, aging parents) pulls women out of the labour market more often than men, and this reduces their ability to contribute to pension plans and RRSP's.
 - While they *are* employed, women on average still earn less than men (71 per cent of what men earn).
- WE*ACT is concerned the elimination of mandatory retirement could lead to changes in the eligibility age for CPP, and so prolong the hardship of lower income people – a burden that would be felt disproportionately by women.
- She presented the Premier's Council with several recommendations, including:

- When a spouse dies, increase the pension paid to the surviving spouse from the current 60 per cent.
- Government should make CPP contributions for caregivers.
- Government should increase GIS substantially.

During the ensuing discussion, the following observations were made:

- Eliminating mandatory retirement should not be accompanied by a requirement that people work until they are older. These are two distinct issues.
- If GIS is increased, it should be done in a way that does not penalize people for part-time employment.
- The question was raised as to whether the elimination of mandatory retirement might encourage employers to favour younger workers, but labour shortages mean there will be competition for these.
- There were a variety of opinions expressed on the matter of maintaining mandatory retirement for “bona fide occupational requirements” – examples cited were firefighters and commercial-jet pilots – however, the point was made that testing for the capacities needed on the job should be done at all ages.

Workplace Flexibility, Retirement & Pensions

The Council then heard from a panel of three presenters invited to share their views on Workplace Flexibility, Retirement & Pensions. They were asked to comment on the implications for society, individuals and business of older people working longer; identify any changes needed, and discuss protecting the interests of employees. Panel members were:

- **William Robson**, Senior Vice President and Director of Research, [CD Howe Institute](#)
- **Jock Finlayson**, Executive Vice-President, [Business Council of British Columbia](#)
- **Jim Sinclair**, President, [BC Federation of Labour](#)

William Robson pointed out that several decades of continuous growth in the Canadian labour force were coming to an end. This growth in the labour force had helped fuel corresponding growth in the Canadian economy. He made the points that:

- A great deal of human capital is lost to the Canadian economy each year through early retirement.
- If Canadians work until they are bit older than they now do, the *labour pool will continue to expand*, bringing overall economic benefits.
- He predicted that any increase in net new workers over the next generation would come from people aged 55 to 64 – this trend has already begun.
- Those older workers who tend to stay in the labour pool also tend to be the healthiest and the “best” – and they are already in place and ready to work.
- He cited a national study that showed two-thirds of business leaders favour eliminating mandatory retirement.

Jock Finlayson said the Business Council of British Columbia has not yet developed a formal position on mandatory retirement, but will need one.

- The demographic challenge is that labour force growth in Canada in the next 50 years is going to be much less than in the US and the OECD – our competitors.
- On one hand employers are concerned that eliminating mandatory retirement might increase the cost of medical and pension benefits, have an unpredictable effect on productivity, require new expenses accommodate older workers, and disrupt the recruitment of new blood in the organization.

- On the other hand, employers, given the demographic challenge they face, see benefits to eliminating mandatory retirement: retention of knowledge, long-term loyalty, improved ability to serve some customer segments, and increases in flexibility (increased willingness to work part-time, for example).
- In any case, employers will need to adjust recruitment and employment practices in response to an ageing workforce. If workplace changes are made, there is scope to retain the older workforce.
- He recommended:
 - British Columbians (employers and employees) need to develop a common understanding of the challenges of slower labour force growth.
 - Government needs to promote later retirement through a range of public policy changes.

Jim Sinclair noted that retirement is a “pocketbook issue” for many workers, who want to be able to retire, but often cannot afford to take early retirement.

- Organized labour wants a system that enables all Canadians to retire while they can still enjoy their lives.
- Public policy about retirement should be shaped by the broad public interest, not just the needs of corporations.
- The solution to a shortage of skilled workers lies in expanded apprenticeship and trades training, not in eliminating mandatory retirement.
- Several recommendations to the Premier’s Council were incorporated into his presentation:
 - People should have the freedom and the right to retire.
 - Labour would like to see a mandatory defined-benefit pension program for every worker.
 - Pensions should be portable to accommodate a mobile workforce.
 - CPP should be strengthened.

During the ensuing discussion, the following comments were made:

- Public policy should increase the choices available to individuals.
- Labour and management are divided, but the general public wants mandatory retirement abolished.
- Many people primarily define the issue in terms of “human rights,” while others see it primarily as a “labour-supply” issue.
- It was suggested that small employers should be required to participate in a pooled pension program – there was some debate whether this should be mandatory or opt-in.
- Eighty per cent of unionized workers have workplace pensions; whereas 37 per cent of non-unionized workers do.

The “New Old”

The final presentation of the day came from [Globe and Mail](#) journalist Michael Valpy, who spoke about how the media in Canada shapes attitudes towards older Canadians and perceptions about aging.

- The media still present older Canadians as “them” and not “us”.
- In the past the media stereotype of older Canadians was feeble, poor – which supported the development of improved public services while at the same time marginalizing the elderly.
- An emerging stereotype is older Canadians as frisky, wealthy seniors – not accurate because it ignores elderly poor and pretends that older people are exactly like younger people.
- Media tends to focus on the lifestyle of older Canadians and ignore public policy issues
- He predicted that – just as the media awoke to women, and is currently awakening to immigrant visible minority populations – it would awake to older Canadians and move past the stereotypes when it realizes there is money to be made by doing so.

- Advocacy groups will push for change in the newsroom – as they have done for other groups in the past, and governments can support these changes with conferences, awards-for-excellence, etc.

During the ensuing discussion, the following comments were made:

- The marginalization of some older people who lack a voice in society is an ongoing concern. Issues such as poverty need to be raised.
- Intergenerational conflict has not occurred over recent changes that benefit older people – such as with CPP changes and the end to mandatory retirement in Ontario – perhaps because of labour market changes.
- There is less sense that older people are taking away from others than there might have been in the past. A stronger economy today makes a big difference in reducing the sense of economic competition between generations.