



Energetic boomers far from retiring

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During the 1980s and '90s, the management fad du jour was to offer early retirement packages and sweep clean the executive offices.

Today, companies desperately need the "middle-aged-at-heart" to stay working.

Back then, late night comics mocked the corporate establishment about their early-death incentives.

"Captains of industry," the comedians confidently proclaimed, "could substantially increase their quality of life by signing on for higher payouts if they agreed to slightly shortened lengths of existence."

The audience giggled appreciatively, waiting for the biting punch line. "However, all faced stiff penalties if they were found alive after their expiration dates."

The crowd roared. After all, everyone knew millions of employees paid billions of dollars annually into the country's social security plan and all were eligible for unlimited years of golfing, knitting and idleness, thanks to the generous retirement system.

No one's laughing today. Canada's first baby boomers, born seconds after midnight on New Year's Day 1946, recently began applying for their Canada Pension Plan benefits. That trickle will soon turn into a tidal wave as thousands line up to claim their funds.

In 1966, the feds introduced CPP with a flourish. The economy was booming and seven workers supported every pensioner. Employees retired at 65 and few lived to celebrate their 70th birthdays. They expected to enjoy decreased activity, tolerated a mental slowdown, and endured reduced usefulness to society.

Today, that ratio is one-to-one and soon will be half-a-worker for every septuagenarian. Men can expect to collect their monthly cheques for about 15 years and women for 22 (usually living to about 87).

Last month, the federal government's Expert Panel on Older Workers delivered its report to Human Resources Minister Monte Solberg. It acknowledged this new generation of retirees -- ambitious, resourceful, and energized -- are reclaiming their youthful vigour by either renegotiating their present terms of employment or finding another job.

The Calgary Chamber of Commerce was delighted to discover the panel adopted the essence of its recommendations, especially those asking the government to remove tax and other disincentives that discouraged older workers from staying in the labour market.



The report proposes revisiting CPP and Old Age Security legislation and examining the current strings attached to Registered Retirement Savings Plans.

"The federal, provincial and territorial governments will work together to ... implement changes to the tax and pension systems that would remove systemic barriers and disincentives to work," the panel stated.

The aim is to achieve "a program design that provides choices and flexibility for older workers who wish to participate in the labour force and earn income."

To accomplish this, governments must:

- Allow eligible individuals to work and receive benefits while contributing to a pension plan.
- Minimize work disincentive effects associated with Guaranteed Income Supplement clawback provisions.
- Promote phased retirement through facilitated changes in the tax and pension systems.

The Chamber's advocacy efforts on behalf of the Calgary business community have been effective and have the potential to encourage 80,000 older Albertans to stay in the workforce, could increase the national labour supply by 767,000 (4%) and generate more than \$24 billion in tax revenues and pension savings.

Corporate executives, currently disheartened by the slide in global pension funds, need to encourage their almost-65 crowd to keep working.

Late night comics can breathe easier. The great boomer die-off has officially been postponed for several decades.