

THREE THINGS EMPLOYERS
NEED TO KNOW ABOUT:
**OPTIONS FOR CONTINUED
WORK OR RETIREMENT FOR
WORKERS 50+**

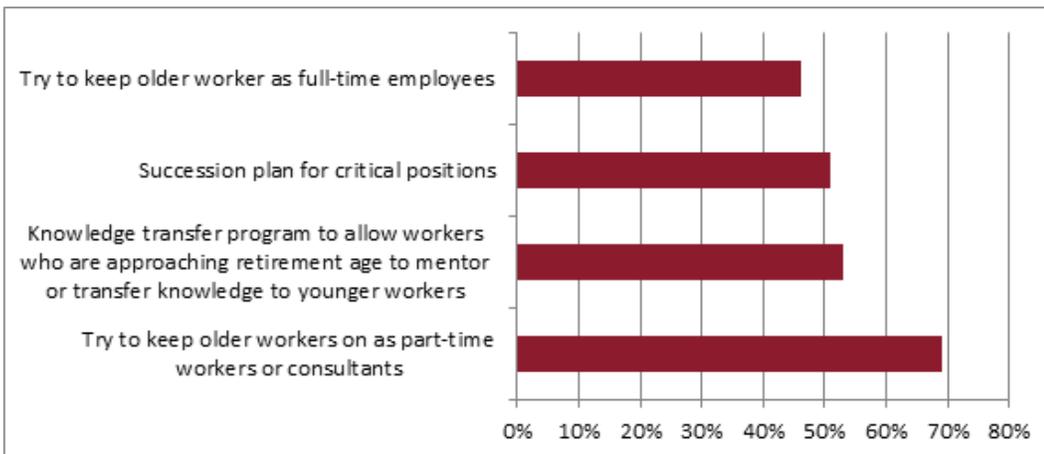
There are a wide range of employer policies and practices that support employees whether they decide to retire or continue working.

1. WHY SHOULD EMPLOYERS CARE ABOUT OPPORTUNITIES FOR CONTINUED WORK OR RETIREMENT FOR OLDER WORKERS (OR IN FACT FOR ANY WORKERS)?

Short answer: Opportunities for continued work or retirement might help to prevent knowledge drain.

There are many reasons to provide adequate options for work or retirement and help employees make good transitions between them. These include the desire of many older workers to work part time or phase into retirement and the benefits that can be reaped from all types of diversity, including age diversity. However, knowledge drain – the loss of organizational knowledge, both formal and informal – is perhaps the biggest single reason many organizations cite for providing these options. Programs that give workers opportunities for continued work or phased retirement are designed to help stem the loss of institutional knowledge. Figure 1 shows the results of a survey of 1003 human resource directors, fielded in 2010 by AARP.

Figure 1. Employer methods to manage loss of institutional knowledge



Source: Perron, R. (2011). Employer experiences and expectations: Finding, training, and keeping qualified workers. Washington, DC: AARP. Retrieved from <http://assets.aarp.org/rgcenter/econ/finding-training-keeping-qualified-workers.pdf>

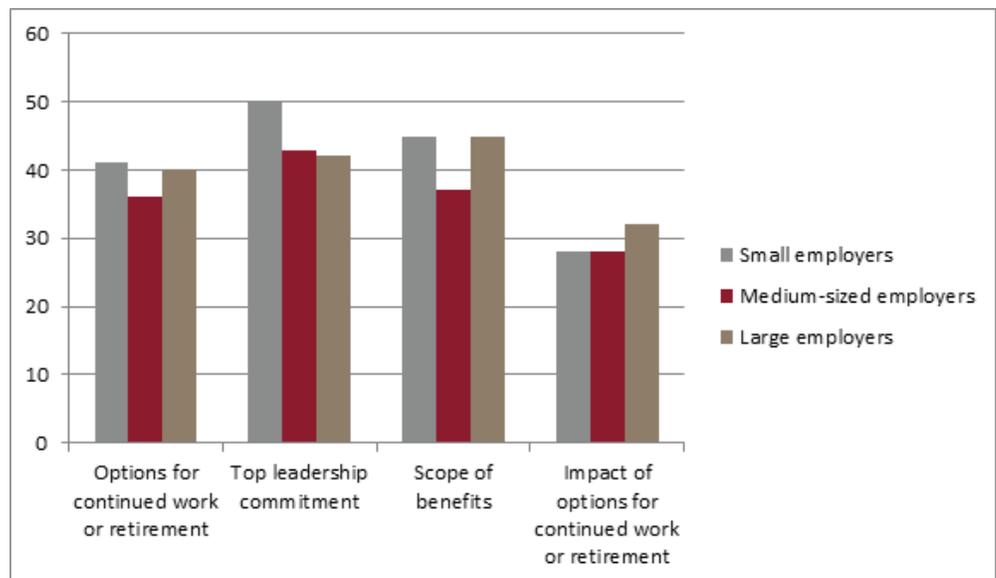
2. ARE CERTAIN SIZES OF ORGANIZATIONS AT A DISADVANTAGE IN PROVIDING OPTIONS FOR CONTINUED WORK OR RETIREMENT?

Short answer: Medium-sized employees may be at a slight disadvantage.

Figure 2 compares the training and development scores for the 50+ workforce based on the 2015 Talent Management Study by industry group.

- Small employers (<100 employees) have a marked advantage in their top leadership commitment to offering older employees options for continued work or retirement. The problems of older employees are immediate and clear to the top leadership of these organizations, who may handle hiring, promotion, job assignment, and knowledge transfer personally.
- Large employers (500+ employees) report more impact of those benefits as indicated by the number of employees who choose to use them. Potentially they can offer a wider range of benefits, when compared to small and medium-sized employees.
- Medium-sized employees — in which top leadership is typically not directly responsible for day-to-day knowledge management and which may find it impractical to offer a wide range of benefits — tend to be at a slight disadvantage when it comes to offering these options.

Figure 2. Programs supporting options for continued work or retirement, by organizational size



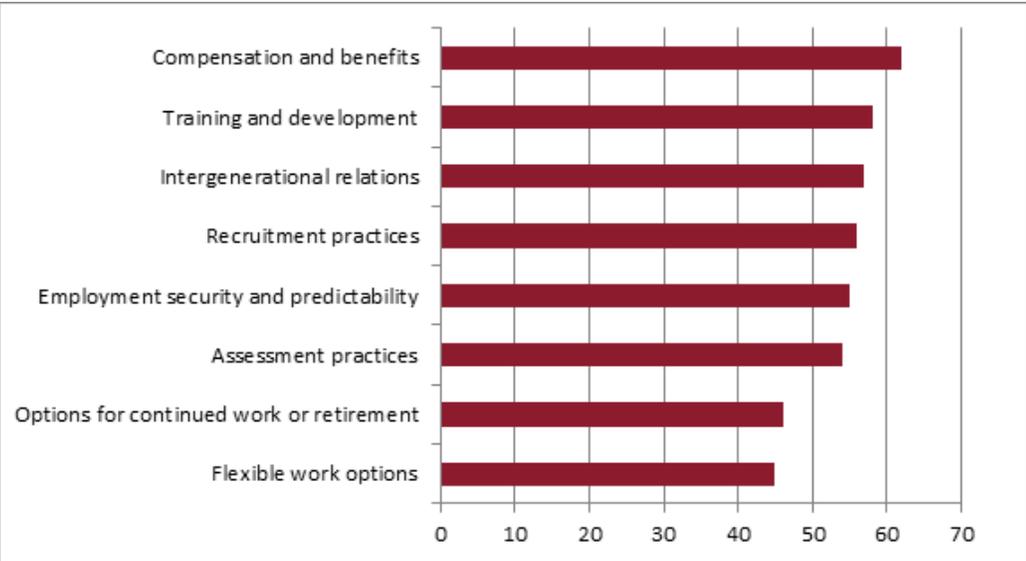
Source: 2015 Talent Management Study.

3. WHAT IS ONE OF THE BIGGEST CHALLENGES IN OPTIONS FOR CONTINUED WORK OR RETIREMENT FOR OLDER WORKERS?

Short answer: Building top leadership commitment is one major challenge.

Options for continued work or retirement are among the least supported by top leadership in organizations. Figure 3 shows top leadership commitment to 8 dimensions of quality of employment, as reported in the 2015 Talent Management Study. To build top leadership commitment to these options, focus on making the business case for older workers.

Figure 3. Top leadership commitment



Source: 2015 Talent Management Study.

Want to find out where you stand on opportunities for continued work and retirement relative to similar employers? Visit our Workforce Benchmarking Tool. Developed in collaboration with AARP (www.aarp.org/employerbenchmarking), the tool rates your workforce practices in options for continued work or retirement and 7 other areas against the national average and provides practical next steps via a customized report.

ABOUT THE CENTER ON AGING & WORK

Established in 2005, the Center on Aging & Work at Boston College promotes quality of employment as an imperative for the 21st century multi-generational workforce. We integrate evidence from research with insights from workplace experiences to inform innovative organizational decision-making. Collaborating with business leaders and scholars in a multi-disciplinary dialogue, the center develops the next generation of knowledge and talent management. Since our founding, we have conducted more than 20 studies in collaboration with employers, including the Age & Generations, Talent Management, and Generations of Talent studies.

For more information about the Center, please visit:

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APPENDIX. Type of options for continued work or retirement

Type of Options

Some Examples of Options for Continued Work or Retirement

Flexible work options

Certain flexible work options can help bridge the path between full-time and part-time work.

- If working full-time, reduce their work hours and work on a part-time basis while remaining in the same position or at the same level
- Structure their jobs as a job share with another person where both receive proportional compensation and benefits
- Phase into retirement by working reduced hours over a period of time prior to full retirement
- Work part year, that is work for a reduced amount of time on an annual basis (e.g., work full-time during the fall, winter, and spring and then take the summer off)

Pension programs

Well-designed pension programs can give employees more choice and control over how and when they retire.

- Guaranteed or defined pension benefits where the organization sets aside funds for retirement income of employees
- Defined contribution retirement plan (a 401(k), 403(b) or other retirement plans) where employees can invest a percentage of their pretax earnings in a retirement account
- Employer-contributions to the employees' defined contribution plans

Planning seminars and consultations

Seminars and consultations can support both employee planning and organizational knowledge management.

- Retirement planning seminars, consultations, or training for the financial transition to retirement
- Retirement planning seminars, consultations, or training for the nonfinancial transition to retirement
- Planning seminars, consultations, or training for possible options for continued employment in retirement years

Other

Other options focus benefits on either new retirees or current employees.

- Retiree benefits, such as health and dental insurance
- Employee volunteering programs
- Employee caregiving programs