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Optional retirement: experiences in Asia-Pacific region to solve HR challenges

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Optional Retirement: Experiences in Asia-Pacific Region to Solve HR Challenges

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Singapore: Government Advocates Fair Application of Older Human Resources through Legislations

Singapore has comprehensive retirement policies and related welfare benefits. Since 1993, Retirement and Re-employment Act (PRA) has been enacted and covered all employees who are Singapore citizens and permanent residents. The Act was revised in 2012, and it sets the minimum retirement age at 62. And employers are required to offer re-employment to eligible employees with satisfactory work performance and who are medically fit to continue working. The Act requires employers to offer at least 1 year contract which is renewable up to the age of 65 of the employees. The enactment of the Act is based on two considerations: 1) to retain the right skills and experiences of the workforce, and hence reduce the cost of training and recruiting; and 2) to bolster employer’s goodwill and its attractiveness, and hence increase retention and loyalty of talents.

Besides re-employment policies, increasing flexibility is also encouraged to allow employees better manage their work responsibilities and personal commitments. For instance, through Age Management Resource Portal, employers are suggested to provide alternative working arrangements to employees according to the guidance, including flexible working hours, part-time working mode, job sharing, and compressed workweeks (i.e. cancelling 5-day workweek).

Multiparty Cooperation to Achieve Flexible Retirement

The experiences of Australia and Singapore have shown us that optional retirement is not a far-away dream. Under the background of population ageing, flexible work arrangements require on the one hand the tripartite cooperation of government, employers and employees, and on the other hand the adaptation to various political, economic and cultural backgrounds. From the policy-making perspective, the retirement policies and their related laws and regulations have all generally outlined the retirement arrangement, which is per se a realisation of a promotional and regulatory mechanism for optional retirement. However, in practice, it is influenced by numerous factors, such as industry characteristics, human and material resources, and personal retirement choices, etc. From the older persons’ point of view, factors such as age, health condition, education received and occupation are all major determinants to their retirement choices.

To summarise, by encouraging re-employment of older employees and providing more flexible work arrangements and work patterns, it is possible to open the door to another meaningful stage in one’s life-course for the elderly. However, since Rome was not built within one day, the implementing of flexible retirement arrangements require further consideration of various factors.

3. Retirement and Re-employment Act (Chapter 274A). (2012). Retrieved from http://statutes.agc.gov.sg/aol/search/display/view.w3p;page=0;query=DocId%3Aa0d3c602-45c4-0134-9462-866fac7f0e%20Depth%3A0%20Status%3AInforce;rec=0#legis