



HOUSE OF COMMONS  
CHAMBRE DES COMMUNES  
CANADA

# **ENGAGING EXPERIENCE: OPPORTUNITIES FOR OLDER PERSONS IN THE WORKFORCE**

## **Report of the Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities**

**Phil McColeman  
Chair**

**DECEMBER 2013**

**41<sup>st</sup> PARLIAMENT, SECOND SESSION**

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DEVELOPMENT AND THE STATUS OF PERSONS  
WITH DISABILITIES**

has the honour to present its

**SECOND REPORT**

Pursuant to its mandate under Standing Order 108(2), the Committee has studied opportunities for older persons in the workforce and has agreed to report the following:



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# **ENGAGING EXPERIENCE: OPPORTUNITIES FOR OLDER PERSONS IN THE WORKFORCE**

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## **INTRODUCTION**

On 18 April 2013, the House of Commons Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities (the Committee) adopted a motion to undertake a study focusing “on employment opportunities for older persons and the supports available to them through the federal government.”

Eight meetings were held between April and June 2013 to gather evidence from researchers in the field, officials from federal agencies and one federal department<sup>1</sup>, employers, unions, seniors’ organizations and service providers. The Committee members would like to thank everyone who appeared before the Committee or submitted briefs. Without them, this study would not have been possible.

The purpose of this report is not to compel people to work at a later age but rather to highlight the employment opportunities available for those who wish to do so, the obstacles to staying in the labour market longer and the programs and services that can help older persons overcome these obstacles.

The report’s first chapter provides background information and outlines the employment prospects of older workers. The second chapter focuses on the ways employers can retain their older workers. Chapter 3 concerns the obstacles facing older unemployed people and solutions to help them find employment. Finally, the conclusion summarizes the report’s principal findings and recommendations.

## **CHAPTER 1 – OPPORTUNITIES FOR OLDER WORKERS**

### **1. Background**

The term “older workers” often refers to persons aged 55 to 64 years. Other definitions include slightly younger workers (aged 45 to 54) or slightly older ones (65 to 74). The definition chosen often depends on the data used and the goal of the discussion.

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1 The federal department mentioned in this paragraph refers to Human Resources and Skills Development Canada. Its name has changed to Employment and Social Development Canada since the appearance of their representatives before the Committee. This report makes reference to the former name of the department, because at the time of their appearance, witnesses were representatives of Human Resources and Skills Development Canada.

Most people know that the Canadian population is aging. This trend is the result of increased life expectancies and the arrival at retirement age of the baby-boomer generation (born between 1946 and 1965), which is larger than the generation that followed it. In 2011, the “working-age population” (those aged 15 to 64) accounted for 68.5% of Canada’s population.<sup>2</sup> According to Statistics Canada projections (medium-growth scenario), this figure will fall to 60.9% by 2031 and 58.9% by 2061.<sup>3</sup> There will therefore be fewer workers for every person not of working age (children and seniors).

A number of public services (for example, health care and Old Age Security) are funded by annual government revenues. Moreover, real per capita gross domestic product (GDP) is often used as a good approximation of living standards. Per capita GDP can be defined as the product of two factors: the amount produced per hour worked (productivity) and the number of hours worked per capita. To maintain real per capita GDP growth at historical levels, one of these factors must increase. Since the proportion of working-age Canadians is expected to decline, increasing the number of hours worked per capita would require boosting the labour market participation rates of groups such as Aboriginal people, persons with disabilities, recent immigrants and older people and reducing their unemployment rates.<sup>4</sup>

For older unemployed people, this may mean being able to find a job more easily. For older workers, it may mean continuing to work at a more advanced age, if they can and wish to do so. These changes would also help reduce labour shortages in certain occupations or in certain regions of the country.

There is no single cause to the shortage-of-labour issue, and there is no single solution to the challenge, either. CFIB believes that an important part of the solution is to improve the participation rate of those traditionally under-represented in the labour force, such as older workers.<sup>5</sup>

Louis-Martin Parent  
Canadian Federation of Independent Business

## **2. Labour market position of older persons**

During the 2008–2009 recession, the unemployment rate jumped from 6.1% in October 2008 to 8.7% in August 2009, before gradually coming back down to 7.1% in

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2 Statistics Canada, “[Population by broad age groups and sex, 2011 counts for both sexes, for Canada, provinces and territories.](#)”

3 Statistics Canada, [Population Projections for Canada, Provinces and Territories, 2009 to 2036](#), p. 167 and 238.

4 Human Resources and Skills Development Canada, Industry Canada, and the Social Sciences and Humanities Research Council of Canada, [The Labour Market and Skills Implications of Population Aging in Canada: A Synthesis of Key Findings and Policy Implications](#), Skills Research Initiative, April 2008.

5 *Evidence*, Meeting No. 86, 1<sup>st</sup> Session, 41<sup>st</sup> Parliament, 4 June 2013, 1150.

May 2013.<sup>6</sup> Table 1 shows employment growth by age group between May 2008 and May 2013 and the unemployment rate in each of these months.<sup>7</sup> In general, older people have an unemployment rate comparable to or lower than middle-aged people (25 to 44) and much lower than young people (15 to 24). Employment growth was stronger in the older age groups, but this partly reflects stronger growth in the labour force (people both employed and unemployed) in the older age groups because of the aging population and an increase in the labour force participation rate among those groups.<sup>8</sup>

**Table 1 – Unemployment Rate and Employment Growth, May 2008 and 2013, by Age Group, Data Unadjusted for Seasonality**

| Age Group    | Unemployment Rate (%) |            | Employment Growth, May 2008–May 2013 (%) |
|--------------|-----------------------|------------|--|
|              | May 2008              | May 2013   |  |
| 15–24        | 13.5                  | 15.4       | -5.5                                     |
| 25–44        | 4.9                   | 5.9        | 1.5                                      |
| 45–49        | 4.0                   | 4.9        | -11.6                                    |
| 50–54        | 4.7                   | 5.5        | 12.3                                     |
| 55–59        | 5.1                   | 5.8        | 18.2                                     |
| 60–64        | 5.9                   | 6.0        | 32.9                                     |
| 65–69        | 2.9                   | 4.4        | 45.9                                     |
| 70+          | 1.9                   | 3.1        | 49.7                                     |
| <b>Total</b> | <b>6.2</b>            | <b>7.2</b> | <b>3.9</b>                               |

Source: Statistics Canada, Labour Force Survey, [CANSIM Table 282-0001](#).

Some industries are in decline while others are growing more strongly, potentially affecting older workers. Table 2 shows employment growth and the proportion of workers aged 55 and over in May 2008 and May 2013 by industry.

Over the past five years, total employment grew by 3.9%. The share of workers aged 55 and over increased from 15.5% to 19.0%. Strangely, this proportion increased slightly more in the goods-producing industry than in the services industry, even though employment in the goods-producing industry declined overall. Workers aged 55 and over are most common in agriculture (35.0%); fishing, hunting and trapping (31.5%); and real estate and leasing (30.4%). Conversely, the proportion of workers 55 and over is very low in the accommodation and food services industry (9.8%).

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6 Statistics Canada, Labour Force Survey, [CANSIM Table 282-0094](#), seasonally adjusted data.

7 These data are not seasonally adjusted because the same month (May) from two different years is used.

8 The labour force participation rate of people in a given age group is the number of people both employed and unemployed (the labour force) divided by the total number of people in that age group, which, besides the labour force, includes retirees, students and people not considered unemployed because they are not looking for work.

**Table 2 – Total Employment Growth (15 Years and Over) From May 2008 to May 2013 and Proportion of Workers Aged 55 and Over, by Sector**

| Industry  | Employment Growth<br>from May 2008 to<br>May 2013 (%) | Proportion of Workers<br>Aged 55 and Over (%) |             |
|---|---|---|-------------|
|   |   | May 2008                                      | May 2013    |
| <b>Goods-producing sector</b>                   | -3.6  | 15.2  | 19.3        |
| Agriculture                                     | 0.6   | 31.2  | 35.0        |
| Forestry and logging                            | -3.1  | 17.6  | 18.6        |
| Fishing, hunting and trapping                   | -8.0  | 22.1  | 31.5        |
| Mining, oil and gas                             | 10.9  | 14.8  | 16.7        |
| Utilities                                       | -11.6   | 14.6  | 18.5        |
| Construction                                    | 8.8   | 13.1  | 16.2        |
| Manufacturing                                   | -13.3   | 13.7  | 19.0        |
| <b>Services-producing sector</b>                | 6.2   | 15.6  | 18.9        |
| Wholesale trade                                 | 2.6   | 14.6  | 20.6        |
| Retail trade                                    | 0.6   | 13.3  | 17.3        |
| Transport and warehousing                       | 2.0   | 18.6  | 23.5        |
| Finance and insurance                           | 1.5   | 13.3  | 17.4        |
| Real estate and leasing                         | 9.9   | 24.6  | 30.4        |
| Professional, scientific and technical services | 13.6  | 16.4  | 19.0        |
| Business services                               | 2.7   | 17.2  | 21.2        |
| Educational services                            | 10.3  | 18.5  | 21.0        |
| Health care and social assistance               | 14.7  | 17.3  | 20.2        |
| Information, culture and recreation             | 3.5   | 13.7  | 15.6        |
| Accommodation and food services                 | 5.6   | 8.3   | 9.8         |
| Other services                                  | 3.5   | 19.2  | 21.0        |
| Public administration                           | 4.2   | 15.8  | 19.0        |
| <b>Total</b>                                    | <b>3.9</b>  | <b>15.5</b>                                   | <b>19.0</b> |

Source: Statistics Canada, Labour Force Survey, [CANSIM Table 282-0007](#).

The share of workers aged 55 and over who are self-employed is higher than among workers aged 25 to 54. Over the past five years, this figure has declined from 15.2% to 14.7% in the 25 to 54 age group and from 27.2% to 26.0% in the 55 and over age group.<sup>9</sup> The proportion of self-employed workers aged 55 and over has increased in the professional, scientific and technical services (from 57.1% to 60.4%) and the accommodation and food services (from 24% to 26%).

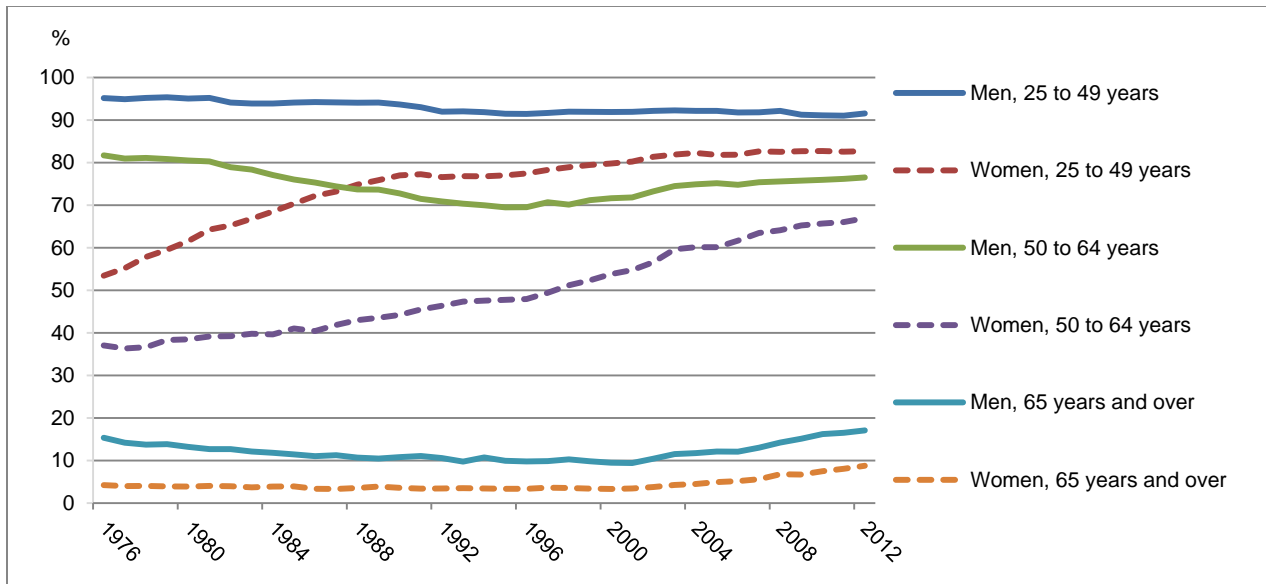
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9 Data from Statistics Canada, Labour Force Survey.



Another trend that has been apparent for several years and was noted by some witnesses is the increase in the labour force participation rate among older people. This is illustrated in Figure 1.

**Figure 1 – Labour Force Participation Rate, by Sex and Age Group, Canada, 1976 to 2012**



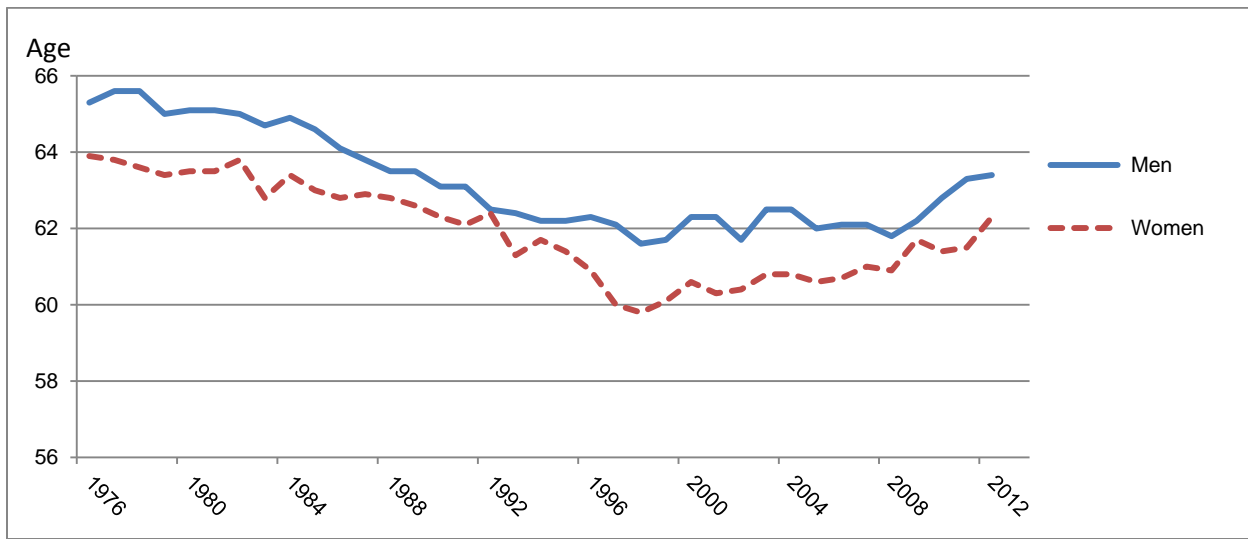
Source: Statistics Canada, Labour Force Survey, [CANSIM Table 282-0002](#).

The rise in the labour force participation rate of people aged 50 and over may be the result of the increased participation rate of women aged 25 to 49 in the 1970s and 1980s; these women remained in the labour force after they turned 50 in the decades that followed. Another explanation is the increase in educational attainment. Better-educated people tend to participate in the labour market in greater numbers. For example, in 2012 the participation rate of people aged 55 and over who had completed some high school was 24.4%, but the rate for those with a university degree was 50.2%. From 1990 to 2012, the proportion of people aged 55 and over with a university degree rose from 6.0% to 18.4%.<sup>10</sup>

As illustrated in Figure 2, the average retirement age declined steadily during the 1980s and 1990s, bottoming out at 60.9 years in 1998. Since then, it seems to have risen slightly, reaching 62.9 years in 2012. Men tend to retire later than women: the difference between the average retirement ages of men and women has remained between 0 and 2 years.

10 Statistics Canada, Labour Force Survey, [CANSIM Table 282-0004](#).

**Figure 2 – Average Retirement Age, by Sex, Canada, 1976 to 2012**



Source: Statistics Canada, Labour Force Survey, [CANSIM Table 282-0051](#).

Finally, as a number of witnesses pointed out, retirement age varies by occupation. For example, in 2012 the average retirement age for occupations in administration and finance was 61.2 years, but it was 64.7 years in sales and services occupations.<sup>11</sup>

## CHAPTER 2 – KEEPING OLDER WORKERS WORKING

Older workers play an important role in businesses. With their experience, they can pass on their knowledge to younger employees, sometimes through mentoring.

We also have an unparalleled mentoring opportunity here for knowledge transfer between older and younger workers that needs to be cultivated.<sup>12</sup>

David Whitten  
Whitten and Lublin

Statistics Canada officials reported that older workers retire for various reasons.

We also asked people aged 50 and over, who had initially retired between 1997 and 2007, why they retired. Multiple responses were allowed. The reason mentioned the most often was that people wanted to stop working. After that, they said that they had sufficient income and access to early retirement measures in their jobs. Health problems and stress were mentioned by 26% of respondents, whereas slightly less than 10% of them reported having to look after a loved one. Lay-offs were mentioned by 12% of them, and mandatory retirement measures by 10%. The fact that their skills were outdated

11 Data from Statistics Canada, Labour Force Survey.

12 *Evidence*, Meeting No. 86, 1<sup>st</sup> Session, 41<sup>st</sup> Parliament, 4 June 2013, 1220.

was mentioned by 8% of respondents. Reasons like discrimination and having a reduced pension while earning a salary were mentioned by 5% and 7% of respondents.<sup>13</sup>

Diane Galarneau  
Statistics Canada

Employers that wish to keep their older workers and prevent them from retiring sometimes have trouble doing so for one or more of these reasons. This chapter examines these challenges and potential solutions to overcome them.

## **1. Financial issues**

### **(a) Challenges**

Several witnesses reported that some older workers continue to work because they have no other choice — they do not have the financial resources to retire.

Some witnesses stated that the gradual increase in the eligibility age for Old Age Security (OAS) from 65 to 67 between 2023 and 2029 could increase the supply of workers of those ages.

The decision in Budget 2012 to increase the age of eligibility for old age security to 67 from 65 was supported by CFIB members, again likely due to the shortage of labour problem.<sup>14</sup>

Louis-Martin Parent  
Canadian Federation of Independent Business

However, the impact depends in part on the reaction of the provinces as regards their own social programs. As a Human Resources and Skills Development Canada (HRSDC) official pointed out:

Raising the age from 65 to 67 is to ensure that in the context of an aging population, we have a program that will be able to be run in a more sustainable manner, because we will have fewer people, fewer working-age Canadians, there to pay for the benefits that will be collected by more people who will not be active....

We have some models in the department that help us understand the dynamic of these decisions. These models are very limited in their capacity to estimate changes in

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13 *Evidence*, Meeting No. 80, 1<sup>st</sup> Session, 41<sup>st</sup> Parliament, 7 May 2013, 1110.

14 *Evidence*, Meeting No. 86, 1<sup>st</sup> Session, 41<sup>st</sup> Parliament, 4 June 2013, 1155.

the behaviour of people in face of such changes. The other aspect to keep in mind is that we're looking at changes 10 years from now, in a context where there's tremendous or deep change in the way people contribute to the labour market.<sup>15</sup>

Yves Gingras  
Human Resources and Skills Development Canada

Certain characteristics of public pension programs, such as the Canada Pension Plan (CPP) and OAS, and private pension programs, such as employer pension plans, can influence older people's retirement decisions.<sup>16</sup> However, HRSDC officials outlined a number of measures that have been taken to discourage workers from retiring early:

- the creation of the CPP post-retirement benefit:

People who delay CPP receipt past the age of 65 will now receive a larger increase to their benefits. The post-retirement benefit was created, allowing working CPP retirement pension beneficiaries under the age of 70 to continue to contribute to the CPP in order to increase their retirement income.<sup>17</sup>

Yves Gingras  
Human Resources and Skills Development Canada

- the elimination of the CPP work cessation test:

We did away with what was called a work cessation test. You had to stop working for two months, detach yourself from the labour market, in order to start collecting the CPP, and then you could go back into the work market. What we found is that detachment, asking people to stop working, too many times for older workers meant that they could not go back to being gainfully employed.<sup>18</sup>

Dominique La Salle  
Human Resources and Skills Development Canada

- the increase in the annual income exemption used to calculate the Guaranteed Income Supplement (GIS):

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15 *Evidence*, Meeting No. 78, 1<sup>st</sup> Session, 41<sup>st</sup> Parliament, 30 April 2013, 1115. The witness also referred to the [11th Actuarial Report Supplementing the Actuarial Report on the Old Age Security Program as at 31 December 2009](#), tabled on 18 July 2012. According to this report, the program's expenditures prior to the changes would have been 2.47% of GDP in 2013 and 3.16% of GDP in 2030. After the changes, the expenditures peak in 2023 at 2.89% of GDP. This amounts to savings of \$11 billion in 2030 (Tables 4 and 5 of the *Actuarial Report*).

16 See, for example, Kevin Milligan and Tammy Schirle, "[Improving the Labour Market Incentives of Canada's Public Pensions](#)," *Canadian Public Policy*, Vol. 34, No. 3, 2008. As mentioned in the text, some measures have already been taken to improve the labour market incentives described since this article was published.

17 *Evidence*, Meeting No. 78, 1<sup>st</sup> Session, 41<sup>st</sup> Parliament, 30 April 2013, 1105.

18 *Ibid.*, 1220.

In 2008 the annual guaranteed income supplement earnings exemption was increased from \$500 to \$3,500, allowing low-income seniors who work to retain more of their GIS benefits before the benefit reduction applies.<sup>19</sup>

Yves Gingras  
Human Resources and Skills Development Canada

- the change to the *Income Tax Act* allowing people receiving an employer-provided defined-benefit pension to continue working:

Beginning in 2007, the *Income Tax Act* was changed to allow people contributing to a defined benefit plan to collect some of the benefits while continuing to work part-time. Before that, you couldn't do it. It was not allowed.<sup>20</sup>

Dominique La Salle  
Human Resources and Skills Development Canada

Some witnesses mentioned the interaction between employment income or CPP benefits and GIS benefits.

The guaranteed income supplement, for example, contains a clawback provision by which each additional dollar of earnings reduces the benefit received under the program by 50¢. This creates a strong disincentive for seniors to work, because each additional dollar of earned income is effectively taxed back at a rate of 50%.<sup>21</sup>

Sarah Anson-Cartwright  
Canadian Chamber of Commerce

When an individual's income exceeds \$70,954 (in 2013), he or she must repay OAS benefits equal to 15% of the income over this threshold. OAS benefits must be repaid in full when an individual's income reaches \$114,793.<sup>22</sup> Consequently, employment income is taxed at a rate of 15% (in addition to income taxes), which can drive down hours of work. Raising the OAS eligibility age eliminates this incentive to work fewer hours for people aged 65 and 66.

The fact that seniors have to reimburse a part of the old age security benefits in no way serves to encourage them to return to work. Because of this many of them are less inclined to return to work or to put in a few more hours, since they have to reimburse a part of their benefits.<sup>23</sup>

Jean-Luc Racine  
Fédération des aînées et aînés francophones du Canada

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19 Ibid., 1105.

20 Ibid., 1220.

21 *Evidence*, Meeting No. 79, 1<sup>st</sup> Session, 41<sup>st</sup> Parliament, 2 May 2013, 1150.

22 Service Canada, [Old Age Security Payment Amounts](#), July–September 2013.

23 *Evidence*, Meeting No. 83, 1<sup>st</sup> Session, 41<sup>st</sup> Parliament, 23 May 2013, 1230.

## (b) Solutions

A 65-year-old worker receiving a CPP retirement benefit can now continue to make CPP contributions to grow that pension. This new option requires the employer to contribute as well. This situation creates a kind of tax on employing workers of that age who continue to make CPP contributions.

We also suggest that when an employee over 65 chooses to keep paying into CPP to draw higher benefits, which is their right, employer contributions should not be mandatory.<sup>24</sup>

Louis-Martin Parent  
Canadian Federation of Independent Business

That said, this payroll tax also applies to younger workers. Removing the employer's obligation to make CPP contributions for workers 65 and older who continue to contribute to the CPP while collecting benefits would probably necessitate a reduction in the new Post-Retirement Benefit that is funded fifty-fifty by employers and employees, making it less attractive for employees.

Some witnesses argued that the remaining early retirement incentives in public pension plans must be eliminated. This could have costs, but would also lead to additional tax revenues if enough workers remained in the labour market for a sufficiently longer period.

[T]he federal government should consider ... continuing to examine current programs to ensure that they minimize disincentives to participate in the labour force....<sup>25</sup>

Richard Chaykowski  
Queen's University

[S]teps have yet to be taken to reduce or eliminate the clawback on GIS benefits triggered by annual employment income above \$3,500....<sup>26</sup>

Chris Roberts  
Canadian Labour Congress

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24 *Evidence*, Meeting No. 86, 1<sup>st</sup> Session, 41<sup>st</sup> Parliament, 4 June 2013, 1155.

25 *Evidence*, Meeting No. 84, 1<sup>st</sup> Session, 41<sup>st</sup> Parliament, 28 May 2013, 1220.

26 *Evidence*, Meeting No. 85, 1<sup>st</sup> Session, 41<sup>st</sup> Parliament, 30 May 2013, 1210.

## RECOMMENDATION 1

**The Committee recommends that the federal government consider the impact of eliminating the early retirement incentives that may be in the Old Age Security program and the Canada Pension Plan on the labour force participation rate of older persons and on the federal government's revenues and expenditures.**

### 2. Health problems

#### (a) Challenges

Health is an important consideration when a worker decides whether to retire or remain in the labour force. The health of Canadians has improved overall, but aging can still cause health problems such as chronic diseases.

While Canadians today enjoy a healthier life and are able to live longer, many live longer with serious health issues. Recent statistics tell us that 90% of Canadians aged 65 and over live with at least one chronic disease or condition, such as cardiovascular disease, cancer, respiratory conditions, diabetes, dementia, arthritis, and obesity.<sup>27</sup>

Margaret Gillis  
Public Health Agency of Canada

In addition, some Canadians will develop a physical disability that requires accommodations for them to continue working. Witnesses also told the Committee that work-related stress can have health impacts.

Finally, with respect to aging and disability, the percentage of employed Canadians with a disability rises from just over 3% among those between the ages of 20 and 24 to reach well over 12% by the time Canadians reach the 60 to 64 age range. We can therefore predict with some confidence that a growing share of Canadian workers will have disabilities and will want or need to continue working, notwithstanding the fact that they have disabilities.<sup>28</sup>

Richard Chaykowski  
Queen's University

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27 *Evidence*, Meeting No. 84, 1<sup>st</sup> Session, 41<sup>st</sup> Parliament, 28 May 2013, 1100.

28 *Ibid.*, 1220.

We know, from workers compensation to long-term care disability programs, that the risk of injury is higher with older workers, especially when modification at the workplace is not done.<sup>29</sup>

Linda Silas  
Canadian Federation of Nurses Unions

## **(b) Solutions**

A number of witnesses stated that older workers with health problems could be kept in their jobs through simple measures such as part-time work and flexible schedules. Older workers appreciate these measures, regardless of their health status.

The Workplace Institute is an organization that works with businesses to improve the quality of older workers' work life.

All employees want flexibility, but it's a very important piece for older workers.... There are adaptations in the workplace, such as when we worked with the construction sector to help them develop an older workforce tool kit that helped them understand that heated cabs and joysticks were a way to extend the working life of people who are doing physical jobs. In health care, we helped nurses work with orderlies or have more equipment so that they're adapting the way they're working and redesigning some of that.<sup>30</sup>

Barbara Jaworski  
Workplace Institute

Employers must be encouraged to introduce flexible programs, such as job sharing, variable hours, telecommuting, and contracting. This will inspire older workers to stay on the job longer and assist in recruiting workers who bring specific experience and skills to the workplace. In addition, flexible work arrangements will encourage older employees to retain or modify their roles to meet the needs of an organization. Flexible pension programs that don't penalize an employee for continuing to work, and health and wellness supports are also effective retention tools.<sup>31</sup>

Tim Jones  
Skills Connect Inc., ThirdQuarter

I would just like to add that there have been initiatives in workplaces where rather simple solutions are put into place to alleviate and make lighter the darker side of stress associated with work. For example, there are simple ergonomics to alleviate physical pain, which then renders the pursuit of work easier. There are a number of those

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29 *Evidence*, Meeting No. 80, 1<sup>st</sup> Session, 41<sup>st</sup> Parliament, 7 May 2013, 1210.

30 *Evidence*, Meeting No. 86, 1<sup>st</sup> Session, 41<sup>st</sup> Parliament, 4 June 2013, 1140.

31 *Ibid.*, 1245.



initiatives as pilot projects which have then been implemented more widely in big companies, allowing workers to turn more happily towards working longer.<sup>32</sup>

Jean-Luc Bédard  
Commission nationale sur la participation au marché du travail  
des travailleuses et travailleurs expérimentés de 55 ans et plus

Health care expenses are another source of concern. They are forcing many older workers to re-enter the labour market. Extending health benefits and compassionate care leave would therefore be measures that would help support older workers, a point emphasized by the official from the CARP organization (formerly the Canadian Association of Retired Persons).

When we asked them questions about what they would like, such as more dignity or special programs, they just said to get them the money they need to actually get a peaceful retirement, a structured retirement, and also to extend the health care benefits, give them caregiver leave support, and get them the jobs.<sup>33</sup>

Susan Eng  
CARP

A number of the health problems mentioned by the witnesses can to a certain extent be avoided through prevention and promotion of a healthy lifestyle. A better diet, an active lifestyle and good mental health can keep people healthy and allow them to remain active in the labour market. To that end, the Government of Canada has made various commitments to promote healthy living and to take the necessary steps to enable Canadians to lead healthier lives. First, the federal, provincial and territorial governments endorsed the “Declaration on Prevention and Promotion from Canada’s Ministers of Health and Health Promotion/Healthy Living” (the Declaration), agreeing to aspire to enable all Canadians to be as healthy as they can be.<sup>34</sup> The Declaration adopts a multisectoral approach incorporating health promotion and prevention of diseases, disabilities and injuries in cooperation with the private and non-profit sectors, municipalities, universities, communities, First Nations and Métis.

The Government of Canada has also implemented the Age-Friendly Rural and Remote Communities Initiative. The Public Health Agency of Canada is working with the World Health Organization, Canada’s three orders of government, seniors groups, community groups and planners to raise awareness about the needs of seniors so that they can enjoy and maintain an active and productive life in their communities.

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32 *Evidence*, Meeting No. 84, 1<sup>st</sup> Session, 41<sup>st</sup> Parliament, 28 May 2013, 1140.

33 *Evidence*, Meeting No. 80, 1<sup>st</sup> Session, 41<sup>st</sup> Parliament, 7 May 2013, 1240.

34 Public Health Agency of Canada, [Creating a Healthier Canada: Making Prevention a Priority](#).

The age-friendly communities initiative is about engaging older adults and community leaders in the creation of supportive built and social environments. Its focus is on making communities more age-friendly so that more Canadians can age in good health. In turn, good health enables people to continue working.<sup>35</sup>

Margaret Gillis  
Public Health Agency of Canada

In addition, mental health promotion is receiving sustained funding through the Canadian Coalition for Seniors' Mental Health and the National Initiative for the Care of the Elderly. These initiatives enable families and health professionals to make better use of available tools and resources. The resources help seniors' caregivers recognize the risks and signs of depression, suicide, delirium and other mental health problems. Advice and support are also provided to tackle these issues in the best possible way.

Through budget 2007, the federal government provided \$130 million over 10 years to establish and support the Mental Health Commission of Canada to act as a focal point for mental health issues. In 2012, the Mental Health Commission launched "Changing Directions, Changing Lives: The Mental Health Strategy for Canada". This strategy serves as a non-prescriptive blueprint to guide actions to improve the mental health of Canadians.<sup>36</sup>

Margaret Gillis  
Public Health Agency of Canada

The Government of Canada also provided about \$1 billion in 2011–2012<sup>37</sup> for the Canadian Institutes of Health Research (CIHR) to support about 14,000 Canadian researchers and interns.<sup>38</sup> Through its Institute of Aging, the CIHR conducts research to develop better health services for seniors with complicated health problems, research which could lead to higher labour force participation rates. In 2011–2012, the CIHR devoted over \$100 million to research on various aspects of health and aging, in fields such as basic biomedical science, patient-based research, research on health care services and systems, and research on the social dimensions of aging.

CIHR's objectives are (a) to excel, according to internationally accepted standards of scientific excellence, in the creation of new knowledge, but also (b) to translate new knowledge into improved health for Canadians and more effective health services and products.<sup>39</sup>

Yves Joanne  
Canadian Institutes of Health Research

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35 *Evidence*, Meeting No. 84, 1<sup>st</sup> Session, 41<sup>st</sup> Parliament, 28 May 2013, 1105.

36 *Ibid.*

37 Canadian Institutes of Health Research, [2011–2012 Departmental Performance Report](#).

38 Canadian Institutes of Health Research, "[Home](#)."

39 *Evidence*, Meeting No. 84, 1<sup>st</sup> Session, 41<sup>st</sup> Parliament, 28 May 2013, 1110.

Finally, the Canadian Longitudinal Study on Aging will provide more accurate information on the circumstances that would encourage older workers to keep working, even if they have health problems. This 20-year study will follow people aged 45 to 85 and gather data “on the changing biological, medical, psychological, social and economic aspects of people’s lives. These factors will be studied in order to understand how, individually and in combination, they have an impact in both maintaining health and in the development of disease and disability as people age.”<sup>40</sup> The study will clarify the relationship between good health and continued work, and its consequences.

## **RECOMMENDATION 2**

**The Committee recommends that the federal government continue to support federal agencies doing health promotion and research on the determinants of health and ensure that they have the necessary resources so that more Canadians remain active and healthy at a more advanced age.**

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40 Canadian Institutes of Health Research, [“Canadian Longitudinal Study on Aging.”](#)

## CHAPTER 3 – CHALLENGES AND SOLUTIONS FOR OLDER UNEMPLOYED INDIVIDUALS

This chapter presents the challenges facing older unemployed people and some of the solutions that witnesses offered. Table 3 shows that over the past five years the unemployment rate for people aged 25 to 54 has increased more than it has for those aged 55 and over. The unemployment rate among people 55 and over is particularly high in the forestry sector and lower in education and health care.

**Table 3 – Increase in Unemployment, by Age Group and Sector, May 2008 to May 2013, Data Unadjusted for Seasonality**

| Sector  | May 2008        |                       | May 2013        |                       |
|---|-----------------|-----------------------|-----------------|-----------------------|
|   | 25–54 Years (%) | 55 Years and Over (%) | 25–54 Years (%) | 55 Years and Over (%) |
| <b>Goods-producing sector</b>                   | 4.8             | 6.0                   | 4.8             | 5.7                   |
| Agriculture                                     | 4.1             | 3.3                   | 2.1             | 2.1                   |
| Forestry and logging                            | 16.5            | 25.4                  | 16.4            | 27.4                  |
| Fishing, hunting and trapping                   | 9.6             | n/a                   | 8.8             | n/a                   |
| Mining, oil and gas                             | 4.5             | n/a                   | 5.7             | 7.9                   |
| Construction                                    | 5.5             | 6.6                   | 5.4             | 6.7                   |
| Manufacturing                                   | 4.5             | 6.8                   | 4.4             | 5.2                   |
| <b>Services-producing sector</b>                | 2.6             | 2.6                   | 3.3             | 3.2                   |
| Wholesale trade                                 | 2.1             | 3.6                   | 4.6             | 5.5                   |
| Retail trade                                    | 3.2             | 1.5                   | 3.4             | 3.2                   |
| Transport and warehousing                       | 2.4             | 2.3                   | 3.5             | 4.4                   |
| Finance and insurance                           | 1.6             | 3.6                   | 1.4             | 1.3                   |
| Real estate and leasing                         | 1.0             | 3.2                   | 2.9             | 3.9                   |
| Professional, scientific and technical services | 2.4             | 2.1                   | 3.5             | 4.4                   |
| Business services                               | 7.5             | 5.6                   | 8.7             | 4.6                   |
| Educational services                            | 2.2             | 1.5                   | 1.7             | 0.7                   |
| Health care and social assistance               | 1.2             | 0.8                   | 1.7             | 1.8                   |
| Information, culture and recreation             | 4.2             | 5.7                   | 4.6             | 4.4                   |
| Accommodation and food services                 | 4.7             | 6.3                   | 5.4             | 4.7                   |
| Other services                                  | 2.7             | 2.6                   | 4.6             | 3.7                   |
| Public administration                           | 1.0             | 2.2                   | 1.6             | 3.0                   |
| <b>Total</b>                                    | <b>4.7</b>      | <b>5.0</b>            | <b>5.7</b>      | <b>5.5</b>            |

n/a: not available (because of sample size)

Source: Statistics Canada, Labour Force Survey, [CANSIM Table 282-0007](#).

Some witnesses noted that older unemployed people tend to be out of work longer. In May 2013, duration of unemployment averaged 11 weeks for individuals aged 15 to 24, 22.8 weeks for those aged 25 to 44 and 30.6 weeks for those 45 and over.<sup>41</sup>

The rest of this chapter explores some of the reasons witnesses gave for the difficulties older unemployed people face in finding a job, namely, less up-to-date skills than those of younger workers, the wages offered in new jobs and age discrimination (ageism).

## 1. Skill level of older workers

### (a) Challenges

Several witnesses reported that older workers who lose their jobs have on average less education or weaker technical skills than younger workers, particularly if they have held the same job over a long period. Dr. Richard Chaykowski was Director of Research for the Expert Panel on Older Workers, which submitted its report to the federal government in 2008.<sup>42</sup>

Finally, I'd like to turn to some of the barriers for older workers. Many older workers have been employed in industries and/or in single-industry areas that are in decline, or they simply experience long-term employment situations. And older workers tend to have less education and advanced training, whereas the younger groups tend to be better educated and trained. So several problems arise.

First, many older workers have skills that are very specific to their previous or long-term job, and retraining may need to be extensive in cases where an entirely new job is the objective.

Second, investing in older workers, in terms of training and education, leaves a shorter period in which to capture returns to that investment, and the fact that many have lower levels of education to start with means that further learning is even more challenging.<sup>43</sup>

Richard Chaykowski  
Queen's University

Older people are indeed less educated than younger people on average, but the gap is narrowing. Between 1990 and 2012, the proportion of people aged 55 to 64 with a university degree rose from 7.3% to 22.5%; among those aged 25 to 54, this figure increased from 15.4% to 29.3% (reducing the ratio between them from 2.1 to 1.3).<sup>44</sup>

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41 Statistics Canada, Labour Force Survey, [CANSIM Table 282-0047](#).

42 Expert Panel on Older Workers, [Supporting and Engaging Older Workers in the New Economy](#), 2008.

43 *Evidence*, Meeting No. 84, 1<sup>st</sup> Session, 41<sup>st</sup> Parliament, 28 May 2013, 1215.

44 Statistics Canada, Labour Force Survey, [CANSIM Table 282-0004](#).

The amount of training employers provide to older workers relative to younger workers is also increasing. In 1991, workers aged 25 to 54 were 2.5 times more likely to have taken employer-supported training than those between 55 and 64. By 2008, this figure had dropped to 1.4.<sup>45</sup> In addition, in 2008 20.2% of people aged 55 to 64 reported unmet training needs or wants compared with 31.3% of those aged 45 to 54, 38.1% of those between 35 and 44 and 38.5% of the 25 to 34 age group.<sup>46</sup>

## **(b) Solutions**

Nonetheless, older unemployed people who did not take much training during their careers and who lost their jobs during the recession may have a serious need for fairly extended training or reskilling programs. Others may simply need to learn how to carry out a more effective job search.

A number of witnesses also spoke about building a culture of continuous learning within companies so that people who lose their jobs at an advanced age have up-to-date skills in their field.

In my opinion, all workers really need is to be able to go through their careers with the mindset of lifelong training. Lifelong training does not just happen when workers are 20, 30 or 40. Lifelong training means training people of all ages, including those who are 50 and 60.<sup>47</sup>

Martine Lagacé  
As an individual

So if there is a failure out there in the following sense, which is that the employers are not doing x, that they're not employing older workers and they're not training them, that they're not making that investment, it may be well in the interests of the individual employer not to do that, but it may not be in the social interest, and there may be huge social costs associated with that. It may be perfectly rational and reasonable for the individual employer not to engage in that behaviour, but if enough employers do that, you get some very, very negative social outcomes.

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45 Jungwee Park, "[Job-Related Training of Older Workers](#)," Statistics Canada, *Perspectives on Labour and Income*, 20 April 2012.

46 Tamara Knighton et al., [Lifelong Learning Among Canadians Aged 18 to 64 Years: First Results from the 2008 Access and Support to Education and Training Survey](#), Statistics Canada, Catalogue No. 81-595-M No. 79, Table A.2.1, 25 November 2009.

47 *Evidence*, Meeting No. 79, 1<sup>st</sup> Session, 41<sup>st</sup> Parliament, 2 May 2013, 1210.

That would be an example of a market failure that would I think call for some kind of a government intervention. In that case, my own sense would be that the best approach is to have a policy that creates incentives: incentives for employers to behave differently.<sup>48</sup>

Richard Chaykowski  
Queen's University

One of the recommendations of the national commission was that certain changes be made to the employment insurance program in order to ensure more training opportunities for experienced workers. That is one possibility.... [A] varied group of Canadian, European and international organizations have pointed to the importance of giving greater recognition to those skills and encouraging continuous learning.<sup>49</sup>

Jean-Luc Bédard  
Commission nationale sur la participation au marché du travail  
des travailleuses et travailleurs expérimentés de 55 ans et plus

Some witnesses discussed how older unemployed people have weak basic skills.

I think the evidence is suggesting that what does pay off more than trying to retrain someone for a specific occupation is to retrain them in bolstering their more generally applicable skills of literacy, numeracy, and document use, perhaps with a year at a community college or something like that. That's a good way to help them learn how to learn, and how to be trained for, a new job, and the skills when the new job comes up.<sup>50</sup>

David Gray  
As an individual

One witness also mentioned that unions can play an important role in training workers.

Beyond that, unions can...work with employers to manage the introduction of new technologies and forms of work organization, to develop the training and identify the training needs among older workers to make sure they can adapt to the changing workplace.<sup>51</sup>

Chris Roberts  
Canadian Labour Congress

The Committee heard from organizations that provide services to experienced workers who lose their jobs. Some offer job search services. ThirdQuarter, a program partly funded by the federal government, brings together older unemployed people who are looking for work and employers seeking workers with lots of work experience.

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48 *Evidence*, Meeting No. 84, 1<sup>st</sup> Session, 41<sup>st</sup> Parliament, 28 May 2013, 1250.

49 *Ibid.*, 1125.

50 *Evidence*, Meeting No. 88, 1<sup>st</sup> Session, 41<sup>st</sup> Parliament, 11 June 2013, 1140.

51 *Evidence*, Meeting No. 85, 1<sup>st</sup> Session, 41<sup>st</sup> Parliament, 30 May 2013, 1245.

One witness noted that volunteering can sometimes provide skills that will lead to a job.

One reason I became a volunteer, and ultimately an employee, is we wanted to keep active. We consider ourselves young seniors.... We decided we wanted to work with people similar to us and to what our parents went through in their health crises. This way we can give back, and we enjoy it.<sup>52</sup>

Dianne Cooper-Ponte  
Calgary Seniors' Resource Society

Various programs are delivered by the provinces but funded by the federal government through Labour Market Agreements, Labour Market Agreements for Persons with Disabilities and Labour Market Development Agreements. The purpose of these agreements is to help unemployed people find jobs by providing training and job search assistance.

In Budget 2013, the government announced that it would negotiate with the provinces and territories to create the Canada Job Grant under the Labour Market Agreements. A total of \$300 million (of the \$500 million devoted to these agreements) would go to this new grant, which will be worth up to \$5,000 per person, plus matching amounts from the provincial or territorial government and the employer.<sup>53</sup> HRSDC officials reported that the goal of the new grant is to better tie government assistance to employer needs.

What's guiding the reform of transfers and the introduction of the Canada Job Grant is the desire to put employers right at the centre of decisions about what training is provided and to whom. It is reinforcing this training so that it's linked to real jobs.<sup>54</sup>

Yves Gingras  
Human Resources and Skills Development Canada

However, some witnesses fear that older workers and older unemployed people will not be selected for this grant.

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52 Ibid., 1230.

53 Government of Canada, Canada's Economic Action Plan, "[Canada Job Grant](#)."

54 *Evidence*, Meeting No. 78, 1<sup>st</sup> Session, 41<sup>st</sup> Parliament, 30 April 2013, 1200.



The Canada Job Grant does not look that promising for older workers. We've heard a lot of concerns here in Hamilton that older workers are less likely to benefit from what was announced in the last budget. The required matching contribution from employers will favour younger workers because employers are less likely to invest their own training dollars in an older worker.<sup>55</sup>

Sara Mayo  
Social Planning and Research Council of Hamilton

### RECOMMENDATION 3

**The Committee recommends that the federal government work with the provinces, territories and employers to ensure that older workers and older unemployed people receive training through the Canada Job Grant and Labour Market Agreements.**

The Targeted Initiative for Older Workers (TIOW) is a federal-provincial/territorial program that provides employment services to people aged 55 to 64. The program was initially restricted to people living in communities of up to 250,000 people, but was expanded to include Canada's largest cities. The TIOW is scheduled to end on 31 March 2014.<sup>56</sup>

Some organizations praised the TIOW, while others suggested that it be expanded to include slightly younger and older unemployed people.

I'm very proud to tell you about the success of our TIOW program, the targeted initiative for older workers. Since the program's inception in July 2010, we have assessed 359 candidates, who came to our centre and went through an information session, and whom we helped to decide if they wanted to start the program. We have employment counsellors who do a short intake. They're there to support and guide them, and help them make their career choice. We're happy to say that 320 started the program, with 270 successfully completing the program and 246 older workers securing employment — some 91% — from what we did to help them.<sup>57</sup>

June Muir  
Windsor Unemployed Help Centre

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55 *Evidence*, Meeting No. 88, 1<sup>st</sup> Session, 41<sup>st</sup> Parliament, 11 June 2013, 1125.

56 Government of Canada, Canada's Economic Action Plan, "[Targeted Initiative for Older Workers](#)."

57 *Evidence*, Meeting No. 86, 1<sup>st</sup> Session, 41<sup>st</sup> Parliament, 4 June 2013, 1235.

In our view, the targeted initiative should be expanded to unemployed workers 45 to 54 years old and to workers age 65 years and older. As well, measures to provide early intervention following job loss — which is something the targeted initiative does not provide — are crucial since re-employment prospects diminish with long-term unemployment.<sup>58</sup>

Chris Roberts  
Canadian Labour Congress

## RECOMMENDATION 4

**The Committee recommends that the federal government extend the Targeted Initiative for Older Workers and remove the cap of age 65.**

### 2. Wages offered in new jobs

#### (a) Challenges

A number of witnesses told the Committee that older workers who lose their jobs must often accept significantly lower pay in a new job, as they often have higher wages at the end of their careers because of their experience. Employers sometimes hesitate to hire them at such wage levels and offer them less than they earned in their previous positions or offer some kind of variable pay. Unemployed older individuals may refuse to take a pay cut in a new job and instead withdraw from the labour market entirely.

For someone who loses their job, there's a process of realizing that they may not be able to find the same wage. The numbers we have, the statistics we have, show that the loss of wage, which is quite significant, could go up to 25% for a person who has to relocate, or find a new employment once they are displaced.<sup>59</sup>

Yves Gingras  
Human Resources and Skills Development Canada

How are companies responding to the increase in the number of older workers? They are responding in two ways. Companies' first option is to use variable pay schemes, a form of wage flexibility — either through individual performance bonuses or team performance bonuses — in order to avoid seniority-based wages. That is a form of flexibility companies are trying to establish to manage their payrolls.<sup>60</sup>

Ali Béjaoui  
Université du Québec en Outaouais

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58 *Evidence*, Meeting No. 85, 1<sup>st</sup> Session, 41<sup>st</sup> Parliament, 30 May 2013, 1210.

59 *Evidence*, Meeting No. 78, 1<sup>st</sup> Session, 41<sup>st</sup> Parliament, 30 April 2013, 1130.

60 *Evidence*, Meeting No. 84, 1<sup>st</sup> Session, 41<sup>st</sup> Parliament, 28 May 2013, 1205.

## **(b) Solutions**

Some witnesses argued that the problem could be solved by market forces. As labour shortages worsen, employers will be more willing to hire older workers and will adjust wages accordingly.

Generally, we want to allow labour markets to work on their own. The labour market has two sides — potential employees that offer their labour for a price and potential employers willing to pay for that labour. I have often heard media reports about impending skills shortage as older workers enter retirement and we lose the skills associated with their experience on the job. However, if employers value that experience and it is productive for them to use those skills, employers will be willing to pay for it. If employers offer a higher wage, many older individuals will be willing to postpone retirement for a while. Without policy interference, we will see an increase in older individuals' employment and wages.<sup>61</sup>

Tammy Schirle  
As an individual

## **3. Age discrimination (ageism)**

### **(a) Challenges**

Several witnesses told the Committee that some employers sometimes discriminate against older workers, preferring to hire younger workers. These practices are based on negative age stereotypes, such as younger people being more likely to stay in a job or older people being less productive, uncomfortable with technology, resistant to change and less creative and innovative. Another discriminatory practice, which witnesses said is widespread, is denying training to older workers because they could leave their job even before the employer has recovered the training costs.

The research that my colleagues and I have been conducting for twenty years or so shows that one of the major obstacles to the participation, integration and retention of older workers in the labour force is the matter of negative age-based stereotypes ... and of flawed beliefs about aging, and specifically aging in the workplace.<sup>62</sup>

Martine Lagacé  
As an individual

When interviewing an older individual, for example, an employer may rationally assume the interviewee will plan to retire at the average age of retirement. Given there are costs to training these employees, an older worker may be turned down for a job because the employer doesn't expect them to stick around long enough to recoup those training costs.

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61 Tammy Schirle, "Presentation to the g Committee for Their Study 'Engaging Experience: Opportunities for Older Persons in the Workforce,'" 11 June 2013, p. 2.

62 *Evidence*, Meeting No. 79, 1<sup>st</sup> Session, 41<sup>st</sup> Parliament, 2 May 2013, 1155.

We don't expect employers to act as charities, so this isn't irrational on the part of employers, but it does put older individuals at a disadvantage when applying for jobs.<sup>63</sup>

Tammy Schirle  
As an individual

## (b) Solutions

As a solution to ageism, witnesses cited the measure the federal government already took in 2011 to forbid federally regulated employers from having a mandatory retirement policy. Most of the witnesses saw mandatory retirement as a form of ageism and approved of its elimination.

[T]he government's elimination of mandatory retirement ... removed legislated age discrimination, along with the previous changes in provincial legislation, but that didn't necessarily eliminate workplace age discrimination generally.<sup>64</sup>

Susan Eng  
CARP

However, some witnesses considered it a way for employers to end the employment relationship in a predetermined fashion.

Mandatory retirement has certain properties, and when you mess with it, you wind up messing with other things. University professors are excellent examples. When we used to have mandatory retirement — even we get old and dodderly — you knew that at age 65 professors would be out of there and you could replace them. Their very high salaries would no longer be paid. You could then hire two good young ones to replace them.<sup>65</sup>

Ross Finnie  
As an individual

The CARP organization also argued for “better enforcement of human rights laws to counteract ageism and ageist practices in workplaces.”<sup>66</sup> Section 15 of the [Canadian Charter of Rights and Freedoms](#) provides that every person is equal before the law and has the right to the equal protection and equal benefit of the law without discrimination, particularly discrimination based on race, national or ethnic origin, colour, religion, sex, age or mental or physical disability.<sup>67</sup>

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63 Schirle (2013), p. 3.

64 *Evidence*, Meeting No. 83, 1<sup>st</sup> Session, 41<sup>st</sup> Parliament, 23 May 2013, 1220.

65 *Evidence*, Meeting No. 88, 1<sup>st</sup> Session, 41<sup>st</sup> Parliament, 11 June 2013, 1110.

66 CARP, “Engaging Older Canadians in the Workforce,” Brief submitted to the Committee, May 2013, p. 3.

67 [Constitution Act, 1982](#), c. 11.

Ageism differs from other forms of discrimination, such as those based on race or sex. Race and sex are inherent and unchanging characteristics of a person, and discrimination based on one of these harms a specific and defined group of people. But age changes over time, and anyone may face age discrimination during certain periods of their lives, yet not in others. Ageism is more difficult to establish than one might think, and it is possible for different groups of people to be subjected to this discrimination based on different criteria. Moreover, the affected group is not always clearly defined.

Ageism can take direct or indirect forms. For example, it could be discrimination based on age to point out a biological characteristic, such as a “menopausal” woman; use terms to indicate that a person belongs to a particular group, such as “dynamic” or “highly experienced;” or refer to a particular age or age group, such as people “65 and older” or those “between 50 and 55.”

Ageism is the last bastion of prejudice in the North American workforce. It’s rarely blatant — that’s illegal. Yet many employers send subtle but clear messages to older workers that they’re not wanted. And at a time when this specific generation still dominates the workforce — are now mostly over 50, that’s not a wise business decision.<sup>68</sup>

Skills Connect Inc., ThirdQuarter

Consequently, older people may face discrimination when they apply for a job or even in a position they have held for years. It is complicated to seek redress even if several avenues are available: the person may file a complaint with the employer’s human resources office or with the union (if applicable), bring a civil action or go before the provincial Human Rights Commission. In short, individuals who want to prove they experienced discrimination must receive good advice in order to choose the avenue that will provide the best possible resolution. Skills Connect Inc., which operates the ThirdQuarter program, emphasized in its submission to the Committee that “[l]egislation alone won’t eradicate ageism in the workforce. Awareness and social change has to be part of the process.”<sup>69</sup> Other witnesses agreed.

Older Canadians like all Canadians have the right to keep working, free of discrimination and ageist practices. Older Canadians have a particular interest in this issue and it is imperative that government and business take action to ensure older workers can remain engaged in the workforce.<sup>70</sup>

CARP

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68 Skills Connect Inc./ThirdQuarter, “Engaging Experience: Opportunities for Older Workers in the Workforce, The ThirdQuarter Difference,” Brief submitted to the Committee by Tim Jones, President and CEO, and Sue Barkman, Vice-President, Marketing and Communications, Skills Connect Inc., 4 June 2013, p. 5.

69 Ibid., p. 7.

70 CARP (2013), p. 4.

Despite the existence of ageism, some witnesses reported that there are also employers that value the experience and know-how of older workers. They told the Committee that people need to share positive perspectives and experiences and ensure that the best practices of employers that are genuine models for hiring and retaining older workers are part of the public discussion. According to an HRSDC official, the federal government has already taken some measures to promote the skills of older workers by creating the National Seniors Council and holding national consultations with older workers and employers.

A number of witnesses told the Committee that older people, employers and the community need to keep being told about the value added by older workers because of their experience, loyalty, work ethic, excellent problem-solving ability, interpersonal skills, etc. Some witnesses mentioned that non-profit organizations can help raise awareness, especially those that receive funding through the TIOW.

Managers play a critical role. As a researcher, I have become a strong believer in zero-tolerance policies. However, I also think that we need national awareness campaigns to inform people about ageism. A lot of people are not familiar with the issue. Yet it is an insidious and damaging problem in the workplace.<sup>71</sup>

Martine Lagacé  
As an individual

As has been previously discussed, there continues to be barriers for older workers in either maintaining employment or re-entering the workforce. Key to overcoming these barriers will be changing perceptions and dispelling myths regarding older workers. Options to consider might be national awareness campaigns including employer resource kits and to a greater extent, incentives for employers to implement targeted recruitment practices and workplace accommodation strategies.<sup>72</sup>

Skills Connect Inc., ThirdQuarter

I think honestly, that the best thing that could happen is that — maybe in terms of a public service announcement — there has to be awareness built around the fact that older workers are valued ... every opportunity that we have to engage an older worker should be used.<sup>73</sup>

Ellie D. Berger  
Nipissing University

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71 *Evidence*, Meeting No. 79, 1<sup>st</sup> Session, 41<sup>st</sup> Parliament, 2 May 2013, 1220.

72 Skills Connect Inc./ThirdQuarter (2013), p. 9.

73 Ellie D. Berger, "Engaging Experience: Opportunities for Older Persons in the Workforce," Presentation to the , Aging and Paid Work Thematic Committee, Nipissing University, 13 June 2013.

## **RECOMMENDATION 5**

**The Committee recommends that the federal government launch an awareness campaign that encourages employers to take measures to retain older workers (for example, offering part-time work or flexible schedules) and to recognize the contributions older workers can make to businesses (for example, by using their work experience or sharing their knowledge with younger employees).**

## **RECOMMENDATION 6**

**The Committee recommends that the federal government work with the provinces and territories to create flexible workplaces.**

## **CONCLUSION**

Older workers make up an increasingly large share of the workforce. The imminent retirement of many of these workers is causing labour shortages in certain sectors and regions, with more to come in the years ahead. Therefore, from an economic standpoint, it is important for employers to keep older people in the labour market as long as they want to keep working. In addition, older unemployed people must receive assistance in obtaining the training they need and in finding a job.

Many employment opportunities are available to older workers and older unemployed people, and more opportunities could open up if labour shortages become more widespread. In some cases, employers will have to look at older workers in a new light and offer modified work arrangements to make it easier for older people to work for them. These arrangements include part-time work, flexible schedules and measures to adapt workplaces for people with health problems.

A number of witnesses emphasized to the Committee that older workers are loyal, highly experienced and equipped with specific skills that younger workers have not yet acquired. It is important for some of these workers to keep working for businesses so that they can pass on this knowledge to their younger colleagues.

The Committee would therefore like every effort to be made to encourage older workers to keep working, if they so wish, by urging businesses to take the necessary steps to attract and retain older workers and by preserving effective federal programs in order to help older unemployed people find jobs and keep Canadians healthy. The government should also seriously study public pension plans such as OAS and the CPP to ensure they do not contain elements that discourage older workers from remaining in the workforce.





# LIST OF RECOMMENDATIONS

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## RECOMMENDATION 1

The Committee recommends that the federal government consider the impact of eliminating the early retirement incentives that may be in the Old Age Security program and the Canada Pension Plan on the labour force participation rate of older persons and on the federal government's revenues and expenditures..... 11

## RECOMMENDATION 2

The Committee recommends that the federal government continue to support federal agencies doing health promotion and research on the determinants of health and ensure that they have the necessary resources so that more Canadians remain active and healthy at a more advanced age. .... 15

## RECOMMENDATION 3

The Committee recommends that the federal government work with the provinces, territories and employers to ensure that older workers and older unemployed people receive training through the Canada Job Grant and Labour Market Agreements..... 21

## RECOMMENDATION 4

The Committee recommends that the federal government extend the Targeted Initiative for Older Workers and remove the cap of age 65. .... 22

## RECOMMENDATION 5

The Committee recommends that the federal government launch an awareness campaign that encourages employers to take measures to retain older workers (for example, offering part-time work or flexible schedules) and to recognize the contributions older workers can make to businesses (for example, by using their work experience or sharing their knowledge with younger employees)..... 27

## RECOMMENDATION 6

The Committee recommends that the federal government work with the provinces and territories to create flexible workplaces..... 27



# APPENDIX A LIST OF WITNESSES

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## 41<sup>st</sup> Parliament – 1<sup>st</sup> Session

| Organizations and Individuals  | Date       | Meeting |
|--|------------|---------|
| <b>Department of Human Resources and Skills Development</b><br>Catherine Demers, Director<br>Employment Programs and Partnerships<br>Yves Gingras, Senior Director<br>Economic Policy Directorate, Labour Market Analysis<br>Dominique La Salle, Director General<br>Seniors and Pensions Policy Secretariat | 2013/04/30 | 78      |
| <b>As an individual</b><br>Martine Lagacé, Associate Professor<br>Department of Communication, University of Ottawa  | 2013/05/02 | 79      |
| <b>Canadian Chamber of Commerce</b><br>Sarah Anson-Cartwright, Director<br>Skills Policy   |            |         |
| <b>Canadian Federation of Nurses Unions</b><br>Linda Silas, President  | 2013/05/07 | 80      |
| <b>Statistics Canada</b><br>Diane Galarneau, Section Chief<br>Current Labour Analysis and Perspectives on Labour and Income<br>Tracey Leesti, Director<br>Labour Statistics<br>Sylvie Michaud, Director General<br>Education, Labour and Income Statistics Branch  |            |         |
| <b>Canadian Association of Retired Persons</b><br>Susan Eng, Vice-President<br>Advocacy<br>Michael Nicin, Director of Policy   | 2013/05/23 | 83      |
| <b>Fédération des aînées et aînés francophones du Canada</b><br>Jean-Luc Racine, Director General  |            |         |
| <b>Canadian Institutes of Health Research</b><br>Yves Joannette, Scientific Director<br>Institute of Aging   | 2013/05/28 | 84      |

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**41<sup>st</sup> Parliament – 1<sup>st</sup> Session**

| <b>Organizations and Individuals</b>   | <b>Date</b> | <b>Meeting</b> |
|--|-------------|----------------|
| <b>Commission nationale sur la participation au marché du travail des travailleuses et travailleurs expérimentés de 55 ans et plus</b><br>Jean-Luc Bédard, Researcher-consultant<br><b>Public Health Agency of Canada</b><br>Margaret Gillis, Senior Director<br>Children, Seniors and Healthy Development<br><b>Queen's University</b><br>Richard Chaykowski, Professor<br>School of Policy Studies<br><b>Université du Québec en Outaouais</b><br>Ali Béjaoui, Professor<br>Department of Industrial Relations   | 2013/05/28  | 84             |
| <b>Calgary Seniors' Resource Society</b><br>Dianne Cooper-Ponte, Volunteer Services Manager<br>Susan Verlinden, Receptionist<br>Mildred Williams, Escorted Transportation Manager<br><b>Canadian Labour Congress</b><br>Chris Roberts, Senior Researcher<br>Social and Economic Policy Department  | 2013/05/30  | 85             |
| <b>Canadian Federation of Independent Business</b><br>Louis-Martin Parent, Senior Policy Analyst<br>Corinne Pohlmann, Vice-President<br>National Affairs<br><b>ThirdQuarter</b><br>Susan Barkman, Vice-President<br>Marketing and Communications, Skills Connect<br>Tim Jones, President and Chief Executive Officer<br>Skills Connect<br><b>Unemployed Help Centre</b><br>Patricia Katona, Case Management Supervisor<br>Windsor<br>June Muir, Chief Executive Officer<br>Windsor<br><b>Whitten and Lublin</b><br>David Whitten, Employment Lawyer<br><b>Workplace Institute</b><br>Barbara Jaworski, Chief Executive Officer | 2013/06/04  | 86             |

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**41<sup>st</sup> Parliament – 1<sup>st</sup> Session**

**Organizations and Individuals**

**Date**

**Meeting**

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**As an individual**

2013/06/11

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Ross Finnie, Professor  
Graduate School of Public and International Affairs, University of  
Ottawa

David Gray, Professor of Economics  
University of Ottawa

**Social Planning and Research Council of Hamilton**

Sara Mayo, Social Planner



# APPENDIX B LIST OF BRIEFS

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## 41<sup>st</sup> Parliament – 1<sup>st</sup> Session Organizations and Individuals

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**Berger, Ellie**

**Schirle, Tammy**

**ThirdQuarter**





## REQUEST FOR GOVERNMENT RESPONSE

Pursuant to Standing Order 109, the Committee requests that the government table a comprehensive response to this Report.

A copy of the relevant *Minutes of Proceedings* ([Meetings Nos. 5 and 6](#) from the 41<sup>st</sup> Parliament, Second Session and [Meetings Nos. 78, 79, 80, 83, 84, 85, 86 and 88](#) from the 41<sup>st</sup> Parliament, First Session) is tabled.

Respectfully submitted,

Phil McColeman

Chair



## **Supplementary Report by Members of the NDP**

New Democratic Party members of the Standing Committee on Human Resources believe that older workers deserve every opportunity to find fulfilling and gainful employment or to retire in dignity if they so choose. Although the report includes substantial measures to protect and enhance prospects for older persons in the workforce, it also fails to address important challenges facing Canadian workers as they approach retirement such as financial insecurity, inadequate savings, and discrimination in the workplace due to their age.

### **NDP Recommendation 1:**

#### **That the federal government work with the provinces to increase Canada and Quebec Pension Plan benefits.**

The most recent OECD survey of pensions around the globe highlights that the Conservatives are simply not doing enough to ensure Canadian seniors can retire in dignity.

Retirement security is one of the most pressing economic issues facing Canadian families today. As many as 5.8 million Canadians - nearly a third of our work force - are facing a steep decline in their standard of living upon retirement.

New Democrats have long maintained that growing the CPP/QPP is the best and lowest-cost pension reform option currently available – experts and provincial leaders agree.

The provinces have agreed on framework to increase the CPP, and the Finance Minister is now the only obstacle standing in the way. The Conservatives must stop blocking attempts by provinces to increase CPP/QPP benefits and should instead show leadership and work with his provincial counterparts to increase the retirement security of Canadians.

### **NDP Recommendation 2:**

#### **That the federal government act immediately to reverse its reckless and unnecessary decision to increase the age of eligibility for Old Age Security.**

By 2030, Conservative cuts to Old Age Security will slash \$11 billion in retirement income from seniors by raising the retirement age to 67 – that amounts to \$13,000 in retirement savings out of the pocket of every Canadian senior.

Expert bodies such as the Organization for Economic Cooperation and Development (OECD) as well as the Parliamentary Budget Officer agree that this dramatic change was not necessary, and that the OAS is entirely sustainable.

Furthermore, levels of debt are already rising fastest among those 55 and over.<sup>i</sup> By changing the age of eligibility to access OAS, the federal government is going to push more seniors into poverty.

## Supplementary Report by Members of the NDP

### NDP Recommendation 3:

**That the federal government increase the GIS to eliminate poverty among seniors.**

Witness testimony by Sara Mayo of the Social Planning and Research Council of Hamilton<sup>ii</sup> revealed that one of the main reasons that many older workers do not retire because they cannot afford to do so; they simply don't have enough saved for retirement.

The stark truth is that the number of seniors, especially women who live in poverty, has been rising in Canada under the Conservatives. This is in contrast to 20 other OECD countries where the numbers of seniors living in poverty is dropping.

Public pension coverage is declining, as are many workplace pension plans and defined-benefit plans. Current trends suggest that today's youth – earning a lower income than previous generations and surrounded by more precarious work options -- will accumulate minimal savings and at the same time, have less opportunity to accrue full CPP benefits. This means they will be more likely to need OAS and GIS when they retire.<sup>iii</sup>

### NDP Recommendation 4:

**That the federal government cancel planned cuts of \$300 million in annual transfers for skills training through the Labour Market Agreements (LMAs) to the provinces.**

Despite opposition from the provinces and concern from employers groups such as the Canadian Chamber of Commerce, the government is charging ahead with its bull-headed decision to cut \$300 million dollars from transfers to much needed money for skills training.

New Democrats believe that the federal government shares in the responsibility to ensure older workers who have been displaced from long-held jobs have the tools they require to transition to new employment.

Cuts to the LMAs will have negative effects on lower-skilled and older Canadian workers. To really improve the accessibility and delivery of training to all Canadians who need it, the Conservative government must work with the provinces to work on a real skills strategy that will create jobs for Canadians.

### NDP Recommendation 5:

**That the federal government works with the provinces and territories to increase support for informal caregivers in Canada.**

There are approximately eight million Canadians caring for older family members, and that number is growing.

## Supplementary Report by Members of the NDP

The NDP believes that caregivers deserve recognition and support. The federal government should consider extending and improving access to the EI Compassionate Care Benefit; offer a Caregiver Tax Benefit modeled on the Child Disability Benefit; and offering financial support to those who wish to renovate their home to accommodate for the care of an older relative.

### NDP Recommendation 6:

**That the federal government works with the provinces, territories and employers to highlight the value of older workers in order to address ageism in the labour market.**

Fifteen per cent of displaced older workers believe that their largest barrier to employment is their age. While twenty per cent of workers 66 years and older reported experiencing discrimination from an employer.

The federal government's National Seniors Council has said that "[n]egative stereotypes about older workers, ageism and intergenerational conflict in the workplace and in society at large most often goes unrecognized and unaddressed, however, it can have serious repercussions for seniors and older workers participation in the workforce."<sup>iv</sup>

New Democrats believe that addressing ageism in the labour market is essential for retaining and employing older workers.

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<sup>i</sup> Evidence, Meeting 85, 1<sup>st</sup> Session, 41<sup>st</sup> Parliament, May 20<sup>th</sup>, 2013, 1240.

<sup>ii</sup> Evidence, Meeting 88, 1<sup>st</sup> Session, 41<sup>st</sup> Parliament, May 20<sup>th</sup>, 2013, 1120

<sup>iii</sup> Evidence, Meeting 88, 1<sup>st</sup> Session, 41<sup>st</sup> Parliament, June 11, 2013, 1125.

<sup>iv</sup> Older Workers At Risk of Withdrawing from the Labour Force or Becoming Unemployed: Employers' views on how to retain and attract older workers, National Seniors Council, March 2013, p. 19, [http://www.seniorscouncil.gc.ca/eng/research\\_publications/older\\_workers/older\\_workers.pdf](http://www.seniorscouncil.gc.ca/eng/research_publications/older_workers/older_workers.pdf)

