



Federal government implements Chamber recommendations to better engage older workers

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The federal government will review the tax and pension systems to remove barriers and disincentives for older workers to remain in the workforce, a Calgary Chamber of Commerce recommendation. Minister of Human Resources and Social Development Monte Solberg made the pledge during the release of an Expert Panel report on July 23, 2008. The Panel solicited ideas from across Canada and internationally to enhance labour market outcomes for older workers.

"Older workers represent a significant source of underutilized talent and labour supply in the Canadian economy," said Geoff Pradella, Vice-President of Public & Government Affairs of the Calgary Chamber of Commerce. "Our analysis indicates that changes to federal retirement programs could add 767,000 (3.5 per cent) workers to the labour pool in Canada," said Pradella. "In Alberta, this could mean 80,000 additional workers."

In July 2007, the Chamber submitted recommendations to the Expert Panel and reiterated them in its 2008 Federal Pre-Budget Submission. Changes developed and advocated by the Chamber include:

- Expanding the age range of CPP eligibility from 60-70 to 60-75, and provide incentives for individuals who take their benefits later (e.g. after 70).
- Removing the clawback mechanism of the OAS so benefits aren't reduced as income increases.
- Allowing greater flexibility to allow RRSP savings to continue until age 75.
- Amending tax-assisted private savings policies to provide greater flexibility for Canadians to continue saving for retirement after age 72, such as the deferral of compulsory RRSP transfers into RRIFs until age 75, or a phased approach of 50% RRSP transfer at the age of 72 and up to 50% transfer until age 75;
- The federal government working with the provinces to develop harmonized and flexible part-time pension policies that provide incentives for Canadians to gradually transition out of the labour force after age 65.

"Federal government retirement programs such as the Canadian Pension Plan, Old Age Security, and tax-assisted private savings policies, do not reflect the current demographic, retirement and life expectancy realities in Canada," said Pradella. "In fact, these programs may actually deter older worker participation, when they could be modified to create incentives to continue in the labour force."

The Chamber has long advocated a multi-pronged approach to labour force development including more effective use of underutilized sources of talent such as older workers, aboriginal people, people with disabilities, and youth; greater inter-provincial in-migration; and increased immigration and temporary foreign workers.

In 2002, it established the Talent Pool Development Society of Calgary to bridge the gap between employers having difficulty finding skilled workers and the many workers in Calgary who were either under-employed or unemployed. Key initiatives include employer education workshops; the



Career Show, which links students with employers and post-secondary opportunities; and research that identified barriers and offered recommendations to fully engage new immigrants.

The Chamber also understands the link between housing costs and the attraction and retention of labour and has urged the municipal government and the real estate industry to work together to improve overall housing affordability.

Alberta Employment and Immigration forecasts a shortfall of 111,000 workers by 2017. The labour shortage has consistently ranked as the top priority by Chamber in a yearly survey.