



The Aging Workforce: Removing Disincentives and Creating Incentives to Continue Working

Issue

A growing body of research indicates that Canadian businesses will face a shortage of skilled workers, if they are not already. Within the next five years more workers will be leaving the workforce than entering if there are no changes in the system. This potentially places a heavier burden on younger men and women to pay the taxes to support the pensions and benefits required for a growing population of seniors, impacting the Canadian economy.

Calgary Chamber of Commerce Position

While a complex issue, the Calgary Chamber believes that one element to help meet labour demands should be the removal of tax and other disincentives that discourage older workers, and those employers wishing to retain them, from continuing to work past age 65.

The Chamber recognizes the need to revise the *Old Age Security* program, tax-assisted private savings policies, and public pension plans.

Policy Recommendation

The Calgary Chamber of Commerce recommends that the Government of Canada:

1. Amend the *Old Age Security* program to encourage Canadians to continue working after age 65.
2. Amend the tax-assisted private savings system to allow Canadians to continue saving for retirement after age 72.
3. Works 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.