

**RESPONSE TO**

**PROVIDING CHOICE:  
A CONSULTATION PAPER ON ENDING  
MANDATORY RETIREMENT**

**MINISTRY OF LABOUR  
PROVINCE OF ONTARIO**

**FROM**

**CANADIAN PENSIONERS CONCERNED, INC.  
ONTARIO DIVISION**

**10 TRINITY SQUARE  
TORONTO, ONTARIO  
M5G 1B1**

**TEL. 416-368-5222**

**FAX: 416-368-0443**

**E-MAIL: [INFO@CANPENSION.CA](mailto:INFO@CANPENSION.CA)  
[WWW.CANPENSION.CA](http://WWW.CANPENSION.CA)**

**SEPTEMBER 30, 2004**

## **RE COMPULSORY RETIREMENT**

Canadian Pensioners Concerned Inc. is a national organization of seniors founded in 1969 by a group of retirees who were concerned about the effect inflation might have on their pensions. Over the years CPC has continued to advocate on the needs and rights of older people and on others, who by virtue of illness, physical or psychological impairments, age and economic need, are especially vulnerable in a society driven by the market place and other economically determined values, often to the exclusion of other social values that enhance a fair, just and inclusive social order.

The Ontario Division of Canadian Pensioners Concerned is pleased to respond to the Consultation Paper on Ending Mandatory Retirement, Ministry of Labour, August 2004.

In our paper to the Human Rights Commission on Age Discrimination in 2001 we stated: “We strongly believe that compulsory retirement should be removed from the Code. People should be able to retire from employment at 65 and claim their pensions or choose to continue to work without loss of pension. Our economy could well benefit from the knowledge, skills and experience of older workers.”

We have not changed our opinion on this matter. People do not suddenly, on their 65<sup>th</sup> birthday, become physically and mentally incompetent, dependent on others and a burden on society. Many of them arrive at this point with a wealth of knowledge, skills and experience of great value to the work world in helping to train and educate others, furthering study and research, helping develop new policies, contributing to the community. It is interesting to note how many retiring Members of Parliament are sought after by both business and government to act on their Boards of Management or to conduct studies with a view to evaluating programs or developing new policies.

Making retirement compulsory at age 65 is a denial of human rights!

## **TODAY’S WORLD**

Today many people choose to retire even before age 65, but since the life span has become extended, planning financially for a comfortable old age becomes a greater challenge. The prospect of a longer life span means trying to prepare for more extensive arrangements for health care, housing, transportation, various personal supports and some degree of personal choice and independence.

Compulsory retirement may cause economic hardship and emotional stress both for the retiree and his or her dependents. For some people, work has become their principal purpose in life and deprived of it, they may become depressed and fall ill. For others, because of lack of training, periods of illness, accidents, low salaries, it has become very difficult to amass sufficient income to sustain them through retirement. The special needs of women must be recognized. Women tend to live longer than men and may, because of taking time off to care for children or other family members, and possibly less opportunities for education and job promotion, have been unable to be adequately covered by pensions or to accumulate savings to provide for retirement. Immigrants

coming late into employment in Canada will also find themselves with little or any pension arrangements and with limited savings.

Writing in the *Toronto Star* of September 5, 2004, Portfolio Doctors David Cruise and Alison Griffith say:

In our circle of friends, family and acquaintances, only a handful have company or government pensions sufficient to allow them to retire at 65 let alone 55. Many have cashed in their pension funds along the way to pay for emergencies or child related expenses. Two friends have disabled children, as do we, and every spare dime has gone into therapy or care of some sort.

Of the rest, about half seem in decent financial shape while the other half are going to have to stitch together a retirement as best they can. The truth is, stitching together a retirement has been a way of life for many, if not most Canadians, all along.

### **RIGHTS AND ENTITLEMENTS**

Canadian Pensioners Concerned is pleased that our Provincial Government is committed to giving Ontarians the right to choose when they want to retire **without undermining existing retirement rights or entitlements to benefit and pension plans.**

There is considerable concern among workers that canceling compulsory retirement is just a ploy to delay pension payments and save money for pension funds. There is also concern that the age for claiming pension funds may be pushed up to 67 or 70 years, thereby necessitating working beyond the present 65.

### **LACK OF A SUPPORTIVE SOCIAL SYSTEM**

Aging has been described as “expanding life expectancy and shrinking resources”. The question of discrimination against older workers is just one facet of a social system that does not adequately support all people of all ages in a rapidly changing world. “Stitching together a retirement” would be less necessary if we had the backing of the following:

- A more adequate health care system with a strong emphasis on health protection and illness prevention, as well as a timely response to illness from the cradle to the grave.
- Availability of continuous education, training and retraining related to the needs and interests of the times.
- Recreation programs available to all communities and geared to the special needs of the community.
- An adequate system of child care with special services to families with children with special needs.
- Accessibility for the handicapped to enable them to develop their full potential and take their full place in society.
- Fair employment practices.
- An adequate minimum wage.
- Adequate means of transportation.
- Conservation of our natural resources – water, trees, farmland, the Moraine.

## **DISCUSSION OF VARIOUS ASPECTS**

We are assuming that you have consulted with other jurisdictions which have ended compulsory retirement as to their experiences and any problems they have been faced with.

### **ECONOMIC ASPECTS**

Continued employment of older workers would add to the economy since they would directly or indirectly increase the production of goods and services and would continue to pay income tax on earnings. Non-profits and the voluntary sector organizations are already impacted by the changing nature of volunteers. The key volunteers now are the working employed, who are encouraged by their employers to volunteer – delivering Meals on Wheels, organizing sports activities and money raisers, etc. The younger retirees are reluctant to commit to long term assignments, often preferring to pursue their own recreation and travel and moving to warmer climates for the winter.

### **LABOUR MARKET IMPACTS**

The average age of retirement in Ontario is 61 years. Ending compulsory retirement would not add greatly to the numbers employed or put a limitation on the employment of younger or newly trained workers or their lack of ability to progress in the ranks.

Ending mandatory retirement could help with skill shortages to some extent. The skilled trades might well benefit by retaining older workers with skills to teach and supervise new workers and to maintain standards of workmanship. This could also be true of other jobs and professions if older workers were not already burned out. Special inducements might be made in order to retain older workers e.g. shorter working periods. Employers should be encouraging life long learning and human development. These programs would benefit both employers and employees.

### **EMPLOYMENT ISSUES**

Opening up opportunities to work could make a great deal of difference to some people. Human resource policies would have to be carefully vetted to ensure that discriminatory practices could not occur and that there are appeal mechanisms in place that have clout and could be enacted quickly. Both the Human Rights Commission and unions would have to be ready to deal with discrimination.

There would likely be some increased cost to employers as they retain higher waged employees whose benefits are higher cost. Employers, unions and the public would need to be informed of the changes.

### **PENSIONS AND BENEFITS**

Workers past the age of 65 are currently able to delay receiving their Canada Pension Plan payments. This should also be possible with employer pension plans. The worker will continue to pay into the plan and hence would be eligible for larger pension payments. Note that the “clawback” on Old Age Security is an unfair extra income tax on seniors and should be withdrawn.

## **SOCIAL AND HUMAN RIGHTS ISSUES**

Low income people, people with irregular employment history, newcomers to Canada, those whose lives have changed through illness, divorce and death, will all benefit. It will eventually help many to avoid deep poverty in their older years. Clear and fair legislation must be in place prior to the removal of Mandatory Retirement. Employers, employees, lawyers, union executives, tribunal members who deal with work place issues, social assistance workers, etc. should be well informed in advance, as well as the general public. The nature of work has changed with people often displaced by companies contracting out and outsourcing of functions which were previously part of employee activity. Contract workers have no pension plans or benefits. They may try to cover their own future needs by investing in RSPs but cash them in long before retirement.

## **OCCUPATIONAL AND SECTOR SPECIFIC ISSUES**

Competency, not age, should be the test. Jobs, such as police and fire, which are high stress and physically demanding, would no doubt need health and physical tests. Good performance reviews should be a regular procedure in all employment and not just used to get rid of older workers.

## **CONCLUSION**

We believe that removing the requirement of mandatory retirement at age 65 could make a positive contribution to society and to employment by:

- Removing discrimination against aging in the workplace;
- Providing the element of choice as to whether to continue to work or to retire;
- Making the knowledge, experience and skills of older workers available in the workplace;
- Giving older people, who have been unable to enjoy full extended employment prior to age 65, the opportunity to build on their savings and pensions and thereby avoid poverty when they do finally choose to retire.

**IN TERMS OF EQUITY AND FAIRNESS, ENDING MANDATORY RETIREMENT IS SIMPLY THE RIGHT THING TO DO.**