

CHAPTER 3

THRUST 1: EXPAND THE EMPLOYMENT OPPORTUNITIES OF OLDER WORKERS

INTRODUCTION

1. There are many challenges that older workers face when looking for jobs. New jobs may be created that require workers to upgrade their skills. At the same time, existing jobs may have to be re-designed to suit older workers. To maximise the potential of an ageing workforce, it may also be necessary for companies to adopt more age-friendly employment practices. Collectively, they expand employment opportunities for older workers. This chapter sets out the Committee's recommendations to achieve such an outcome.

EXTENDING AND ENHANCING THE ADVANTAGE! SCHEME

2. Since its introduction in October 2005, the ADVANTAGE! Scheme has proven to be an important vehicle to promote and facilitate the change of mindsets of employers to employ more older workers, and re-employ those beyond the retirement age. The Scheme provides a package of incentives for companies to undertake initiatives to facilitate the employment and re-employment of mature workers.
3. With the efforts of the tripartite partners, 411 companies have or are working on age-friendly initiatives under the Scheme, such as removing age or other barriers in the recruitment of older workers; adopting role-based or performance-based wage system; and redesigning processes and adopting the use of machines to make work suitable for mature workers. These companies come from a wide range of industries including Transport, Retail, Education, Healthcare, Finance and Hotels. Together, they have committed to hire more than 3,000 additional mature workers of which 1,100 have been employed. They have also committed to re-employ more than 3,800 workers past the retirement age of 62, of which more than 3,100 have already been re-employed. In addition, more than 8,400 mature workers employed in these companies would benefit from job redesign or deployment to other job roles after reaching age 62.
4. Many insights and learning experience were gained from the tripartite partners' work with companies in implementing the various age-friendly initiatives, which are useful for future work with other companies. In redesigning and automating work processes, for

instance, some companies were apprehensive about the high cost of machines and equipment. The funding from the ADVANTAGE! Scheme helped to defray the cost. Another concern was the workers' anxiety over the need to learn to use the new equipment. This was overcome by efforts from the management and union leaders to explain the advantages of automation, address the workers' anxieties directly and put in proper training programmes. In implementing re-employment policies in companies, it was important for companies to have a clear, effective and structured performance appraisal system to assess if a worker would be offered re-employment.

Box Story 3-A: EXAMPLES OF ADVANTAGE! PROJECTS

Creating new job roles to leverage on skills/experiences of older workers...

ADVANTAGE! Project: Yusen Air & Sea Service (S) Pte Ltd

Yusen Air & Sea Service (S) Pte Ltd carried out job redesign to leverage on the work experience of their mature employees through the creation of new job roles. The job scope of mature employees at the management level, namely, Managers, Senior Managers and General Managers from different departments were redesigned to include mentorship roles. The mentors are expected to spend a percentage of their working hours coaching the younger employees. This would facilitate the transfer of their practical and hands-on knowledge to younger employees and help in the company's retention of knowledge and skills.

For instance, a Senior Logistics Manager previously involved in physically demanding work in the Logistics Department was re-employed in a new job role as a Compliance Manager. This new job was desk-bound and no longer physically demanding. He also went through various training courses to equip himself with the essential skills and knowledge to assume his new job role.

Automation/Use of equipment to reduce physical demands of the job...

ADVANTAGE! Project: S-Team Switchgear Pte Ltd

S-Team Switchgear intends to bring their wire-cutting function, which is currently outsourced to external vendors, in-house. This would allow them to exercise better control over the volume and quality of output, and increases efficiency. With this, the company expects to hire 10 mature workers. Once these mature workers have mastered the skills, they will be rotated to other assembly or engineering-related jobs. This will further expand their skills and provide them with opportunities for career advancement.

S-Team Switchgear also plans to implement an Enterprise Resource Planning (ERP) system which makes use of bar coding to manage the tracking process. The ERP system will help its existing workers, including 18 mature workers, save time and effort in filling up the data sheets and reduces the probability of errors.

Changing recruitment policies to facilitate the hiring of mature workers...

ADVANTAGE! Project: Les Amis Pte Ltd

Les Amis tapped on the ADVANTAGE! Scheme to engage an external consultant to conduct an organisation analysis and review of their human resource policies and procedures. This led to the development of a Recruitment and Selection Toolkit.

Managers could then use this toolkit to place and deploy mature workers in the right jobs. With the desired attributes, competencies and performance requirements of a job identified, the selection toolkit is used as a guide for managers to focus and select candidates based on their competencies and skills. In doing so, the job fit is enhanced and retention rate of mature workers improved.

ADVANTAGE! Project: UOB Frontline Customer Service Assistants

The United Overseas Bank (UOB) recruited and trained mature candidates as Customer Service Assistants (CSAs) to work in the bank's branch network. These mature workers needed frontline or cash handling experience, but could be from non-banking sectors. UOB tailored their training to equip mature candidates with the confidence and skills to perform their new job roles. Additional modules were incorporated in their core training programme to better equip them for operations at the workplace. They were also coached more closely in class especially during practice sessions. UOB intends to employ 30 mature workers in these positions.

5. As at 31 March 2007, approximately \$9 million, or 33% of the \$30 million budget for the ADVANTAGE! Scheme, has been committed to companies under the scheme. The grants have been used by companies primarily to redesign jobs or processes to make them more suitable for older workers.
6. **The Committee recommends that the ADVANTAGE! Scheme be enhanced to help companies build up capabilities to facilitate older workers to work beyond the age of 62 and to employ more older workers.** It will support companies' efforts on three broad fronts:
 - a. Recruiting more workers aged 40 and above;
 - b. Retaining existing workers aged 55 to 61; and
 - c. Facilitating the re-employment of workers beyond age 62.
7. To do this, in addition to supporting companies to hire older workers through job redesign and training under the old scheme, the enhanced Scheme will help companies implement HR policies and systems for the retention and re-employment of older workers. The re-employment systems could include but are not limited to career guidance programme; health promotion programme; portable medical benefits; job-based, competency-based or performance-based wage structure; re-skilling programme; new job roles; or performance management system. In order to support the enlarged scheme, **the current overall cap of \$300,000 per company would be raised to \$400,000.**
8. ADVANTAGE! was introduced originally for 2 years up to end 2007. Given its effectiveness, **the Committee recommends that the enhanced Scheme run for 3 more years up to end 2010.**

ENCOURAGING COMPANIES TO IMPLEMENT POLICIES AND PROCESSES THAT WILL FACILITATE OLDER WORKERS TO WORK BEYOND AGE 62

9. The Committee has taken a tripartite approach to encourage employers to implement policies and processes that will help facilitate older workers to work beyond age 62. This includes encouraging companies to set up a re-employment system to re-employ older workers when they reach retirement, or to voluntarily raise or remove the retirement age.

Growing Recognition of Re-Employment in Collective Agreements

10. The response from companies in the unionised sector on the re-employment of older workers has generally been positive. NTUC has successfully secured commitment from 235 unionised companies to re-employ retired workers, of which 193 companies have re-employed 2,913 workers beyond the retirement age. In 2006, 40% of current collective agreements contained clauses expressly providing opportunities for employees to work beyond the age of 62 (see Box Story 3-B). The opportunities include re-employment beyond the age of 62, subject to medical fitness of the employees concerned and mutual consent of the parties. These collective agreements cover a total of almost 40,000 workers.
11. A total of 36 banks in the Banking Industry, for example, have collectively introduced a clause on re-employment of retired staff in their Collective Agreement with two Banking Industry unions. The clause effectively allows the Bank and the re-employed person to mutually agree on his/her terms and benefits of employment after retirement. The SNEF Insurance Group¹ and the Singapore Insurance Employees Union have also formalised a re-employment policy (see Box Story 3-C).

Box Story 3-B: EXAMPLES OF CLAUSES IN COLLECTIVE AGREEMENTS EXPRESSLY PROVIDING OPPORTUNITIES FOR RE-EMPLOYMENT OF OLDER WORKERS
NTUC Income Insurance Co-op Ltd / Singapore Insurance Employees Union (SIEU)
<u>[Clause 16] RE-EMPLOYMENT</u>
(1) INCOME shall offer job counselling and re-employment to the employee at least six months before reaching the retirement age of 62 subject to the following: <ol style="list-style-type: none">a. Medically fit;b. Acceptable work performance; and

¹ The SNEF Insurance Group comprises 22 insurance companies including American Home Insurance, American International Assurance, AXA Insurance/ Life Assurance, Great Eastern Life Assurance, India International Insurance, Overseas Assurance Corporation, Prudential Assurance, United Overseas Insurance etc.

c. New terms and conditions of employment.

(2) In the event that a suitable job is not available, INCOME will provide outplacement assistance.

KCC Singapore Pte Ltd / Chemical Industries Employees Union (CIEU)

[Clause 12] RETIREMENT

(2) Twelve months before an employee reaches the normal retirement age, the Company shall conduct pre-retirement counselling for the employee. The Company, the Union and the employee shall meet and discuss the options available to the employee regarding his continued employment with the Company beyond the normal retirement age, taking into account the relevant factors as agreed with the Union and the Company.

(3) Upon agreement between the Union and the Company, six months before the employee reaches the normal retirement age, the Company shall offer the employee continued employment beyond the normal retirement age in the same post or, if that is not possible, in a post which is reasonably similar to the employer's last held post. The terms and conditions in the collective agreement shall apply to the re-employed employee and any variations will subject to agreement between the Union and the Company.

Box Story 3-C:

INSURANCE INDUSTRY'S EFFORTS TO RETAIN & RE-EMPLOY OLDER WORKERS

Retain and Re-employ Workers

The SNEF Insurance Group of employers and the Singapore Insurance Employees Union (SIEU) signed a Memorandum of Understanding on 19 December 2006, under which the companies may re-employ an employee on mutually agreed terms, subject to:

- a. The employee being certified medically fit to do the job; and
- b. Acceptable performance rating.

The Open Appraisal System, adopted by insurance companies since 1995, will enable companies to have an effective and structured performance appraisal process to determine if the older employee's performance is acceptable for re-employment.

Provide Career Counselling

The insurance companies are also looking at consolidating efforts to engage a consultant to implement a shared career counselling service. HR practitioners will subsequently be trained to carry out such services in their companies. This will assist older workers in preparing themselves for their career progression and for work beyond the age of 62. Companies will also benefit from planning their workforce in advance.

Support Adoption of Performance-Based Pay

Individual companies can, in consultation with the union, adopt job evaluation for

their own respective companies to complement their present wage systems and schemes.

Public Sector Intensifies Efforts to Employ and Re-Employ Older Workers

12. The Public Sector has also intensified its efforts to employ and re-employ older workers through reviewing its re-employment policy to make it easier for public agencies to re-employ retired officers. In addition, it implemented several measures to enhance workers' employability such as job redesign and the adoption of the Employability Skills System (ESS) (See Box Story 3-D).
13. Currently, 39% of employees in the public sector are above the age of 40 and 17% are above the age of 50. In 2006, 207 retired civil servants aged 62 years and above were re-employed. This represented about 19%² of the total number of retired officers in 2006. Those re-employed included education officers, clerical officers and immigration officers. In addition to this number, about 1,100 retired teachers are in the Adjunct Teachers' Scheme whereby they are deployed to schools on flexi-work arrangements to teach or to conduct CCA duties.
14. For the statutory boards, as a whole, the number of re-employed officers was 361, representing more than 90% of retired officers. The majority of those re-employed in the statutory boards were daily-rated employees in the National Environment Agency (NEA) and Assistant Technicians in the Public Utilities Board (PUB).

Box Story 3-D: PUBLIC SECTOR'S EFFORTS IN ENHANCING THE EMPLOYABILITY OF OLDER WORKERS

Revision of the Public Sector Re-Employment Policy

The public sector amended its re-employment policy last September to make it easier for public agencies to re-employ their retired officers. Agencies were encouraged to offer re-employment to retiring officers, particularly those who had contributed well and who can continue to add value to the organisation. Procedures were changed such that agencies need no longer conduct an open recruitment exercise if they re-employ their retired officers within six months from his retirement. The public sector also aligned its guidelines on the remuneration package for re-employed officers with the "Tripartite Guidelines on the Employment of Older Workers Above 62 Years Old".

Re-Employment Terms

Under the Public Service re-employment policy:

- a. Re-employed officers are paid based on the scope of work and responsibility that they are given when they are re-employed;

² This figure does not include those who were re-employed on contract for service or casual basis.

- b. They need not be limited to doing their previous jobs at their previous pay. Those who are given a smaller job scope and responsibility will be paid a salary that is commensurate with the size of the new job; and
- c. Re-employed officers can be employed on various flexible work arrangements, including on a full-time, part-time, or a project basis.

The new policy was introduced on 1 September 2006. A guide on best practices and checklist on the employment of older workers were also issued to public sector agencies.

Employability Skills System

In May 2006, the Civil Service implemented the Employability Skills System (ESS) for Division III officers to equip them with a set of skills that is recognised at the national level, starting with 8 schemes of service:

- Clerical
- Corporate Support
- Shorthand Writers
- Technical
- Technical Support
- Operations Support
- Mechanical Support
- Estate Maintenance

In addition, the Civil Service has recently amended its policies to recognise and adopt ESS credentials for recruitment. Job applicants with ESS credentials will enjoy the same starting salaries as those with equivalent GCE 'N'/O' level credentials as shown below:

Academic Credentials	Alternative ESS Credentials
3 GCE 'N' Level passes	WPLN Level 5
3 GCE 'O' Level passes	Career Readiness Certificate (Operations)

It has also amended its policy to recognise ESS credentials as an alternate proxy to the educational qualifications requirements for a Division IV officer being considered for promotion from Grade III to II.

Older Worker Database

The Civil Service started an older worker database in January 2007. Retiring and retired civil servants can sign up to be on the programme if they wish to be considered for job assignments in the public sector after their retirement. The Public Service Division (PSD) aims to have 400 retirees in the database by the end of 2007. This programme will eventually be extended to include statutory board employees.

Job Redesign

Singapore Sports Council

The public sector has also undertaken job redesign in specific areas where the skills of mature workers could be better tapped on. For example, in 2006, the Singapore Sports Council undertook job redesign for their Customer Service Officers for more flexible deployment of their officers.

NParks

NParks introduced a modified trolley which acts as a mobile workstation that allows the park workers to keep basic landscaping tools in an orderly and safe manner and within easy reach at worksites. This has also helped improve the job image. The trolley is usually deployed when a few workers work around a landscape trolley. A Landscape Pouch is also given to help the employee carry essential tools when they work alone.

NParks also re-designed the work scope of its landscape technicians in parks. This involved deploying local landscape technicians to be responsible for all tasks within a particular area. The underlying concept was that such familiarity would give a greater sense of ownership and in turn result in productivity increases. This project has been implemented in 3 parks.

Generic Schemes in the Civil Service

For 2007, the Public Service Division is embarking on a job redesign project for generic Division 3 & 4 schemes in the Civil Service to enhance the value of jobs and increase upgrading opportunities. The bulk of the officers in these schemes are older workers. There will also be greater emphasis on training and development to ensure that officers in these schemes are able to do well in their redesigned job scope.

Preparation for Legislative Change

For a start, the Public Service Division will work with 3 public sector agencies to implement a holistic approach in preparing older officers for re-employment. This will involve career transition and career guidance programmes, retirement preparation programmes, job re-skilling programmes and the offer of re-employment to those with good performance and who are medically fit. This pilot phase will enable the public sector to ascertain the refinements needed in our human resource policies and practices that we will implement in preparation for the legislative changes. The public sector will work towards putting in place service-wide re-employment schemes and policies within the next 3 years.

Efforts Will Continue Through Adoption of Sectoral Focus

- 15. The Committee will continue to take a tripartite approach with the focus on encouraging as many employers as possible to voluntarily implement policies and processes that will help facilitate older workers to work beyond age 62.** This includes encouraging companies to set up a re-employment system to re-employ older workers when they reach retirement, or even to voluntarily raise or remove the retirement age. To bring as many employers as possible on board, the Committee will promote the implementation of such policies and processes through focused efforts in various sectors such as Manufacturing, Services and the Public Sector.

INTRODUCING LEGISLATIVE CHANGES WITHIN 5 YEARS TO FACILITATE OPPORTUNITIES FOR OLDER WORKERS TO WORK BEYOND AGE 62

16. In its interim report, the Committee had recommended that the Government study Japan's system of legislating to obligate employers to re-employ workers beyond the retirement age, and consider whether it can be adapted to suit Singapore. The Committee has studied various international employment practices, including the Japanese model of re-employment legislation (see [Annex B](#)).
17. Indications are that the legislation is working well in Japan, due to several pre-conditions. For instance, there is a strong desire on the part of Japanese workers to continue working and older workers are generally able to adapt to new roles after retirement. The overall work environment is conducive to retraining older workers. In particular, companies start discussing with employees on re-employment several months to a few years prior to their retirement to prepare them and to set expectations. Some companies in Japan do so as early as 5 years before the workers retire.
18. While the preliminary assessment of the re-employment law in Japan has been positive, the implementation of a similar legislation in Singapore will not be without challenges. The legislation must judiciously weigh the interests and needs of both employers and workers, and strike the right balance between providing broad provisions that allow for flexibility and stipulating specific guidelines to minimise disputes. In addition, sufficient lead time must be given in order that companies can put in place supporting HR practices and systems to be in compliance with the law.
19. Without suitable preparation of the ground, legislation could have a negative impact. Companies may become hesitant to hire mature workers for fear of having to employ them for extended periods. Commensurate efforts must therefore complement legislation to ensure that businesses can adjust appropriately to new legislation to achieve a higher effective retirement age.
20. The experiences of other countries also show that legislation in itself is not a panacea to the multi-faceted challenges older workers face. Nevertheless, legislation can be a powerful signal and tool in shaping behaviour and driving corporate practices. **The Committee thus recommends that the Government introduce legislative changes within 5 years to facilitate opportunities for older workers to continue working beyond the age of 62.**
21. The legislative changes could take the form of a re-employment obligation, similar to Japan but contextualised to our local situation. We should also remain open to other ideas appropriate to Singapore's economic needs and industrial climate. The 5-year period will give lead time for further mindset change, greater capability-building in companies such as establishing and enhancing HR systems to re-employ older workers beyond the age of 62, and more targeted efforts to reach out to specific groups of workers.

22. **The Government should assess the progress made in enhancing the employability of older workers over the 5 years, as well as the practices and systems that companies have implemented and the response from companies and workers, before deciding on the final form of legislative changes.**
23. In the meantime before the introduction of legislation, **a revised set of tripartite guidelines could be introduced to guide and help facilitate companies in re-employing workers beyond the age of 62.** A good example is the case of the Public Utilities Board (PUB), which has already put in place measures and structures, including a good HR system, to facilitate the re-employment of workers past the retirement age (see [Box Story 3-E](#)).

**Box Story 3-E:
RE-EMPLOYMENT SYSTEM IN PUBLIC UTILITIES BOARD, SINGAPORE**

Measures to Facilitate Re-employment Beyond the Retirement Age

PUB has in place a system for employees who are past the retirement age to apply for re-employment. To determine their suitability to the organisation's needs, PUB conducts regular reviews to match employees who have applied for re-employment to the vacancies available. If re-employment entails being in a different job, the re-employed employees will be trained and equipped with the necessary skills for them to excel in their new jobs.

Re-employment Terms

Depending on the needs of the organisation, the re-employed workers may continue in the same job they were in prior to their retirement or be re-deployed to a new job with a different scope and responsibilities. The salary on re-employment will be commensurate with the job to which they are deployed upon re-employment and may be reduced by up to another 10% to meet the divisional salary ratios.

New Job Roles

The Catchment & Waterways Department in PUB presently re-employs some 20 retired employees, selected for their skills and experience.

One of the employees who have benefited from this was a Senior Technician. Prior to his retirement, he was working in the Water Service & Operations Centre (WSOC), attending to customer feedback and supervising contractions in pipeline leak repairworks. He was re-employed last year to take on a new job in the Catchment & Waterways Department. In his new role, he leads a team in patrolling and surveying water catchment areas and also guides his team in conducting public education and public relations. Whilst his previous experience had helped to ease him into this new job, the new job scope has simultaneously presented him with the opportunity to pick up new and valuable skills.

HELPING WOMEN BACK TO WORK

24. The employment rate of our male residents aged 55 to 64 is comparable to that in the developed economies (see [Chart 3.1](#)). For females, although the younger cohorts aged 25 to 39 have a relatively high employment rate, the employment rate of older female residents aged 55 to 64 significantly lags that in other developed countries (see [Chart 3.2](#)).
25. While our female participation in the workforce has been rising over the years in tandem with the improving educational profile of women, more can be done to get more women, especially those above age 40, to stay in or return to the workforce. [Chart 3.3](#) shows that the employment rate of women declines after age 30.

CHART 3.1 EMPLOYMENT RATE (%) OF MALE RESIDENT POPULATION (AGED 55 TO 64)

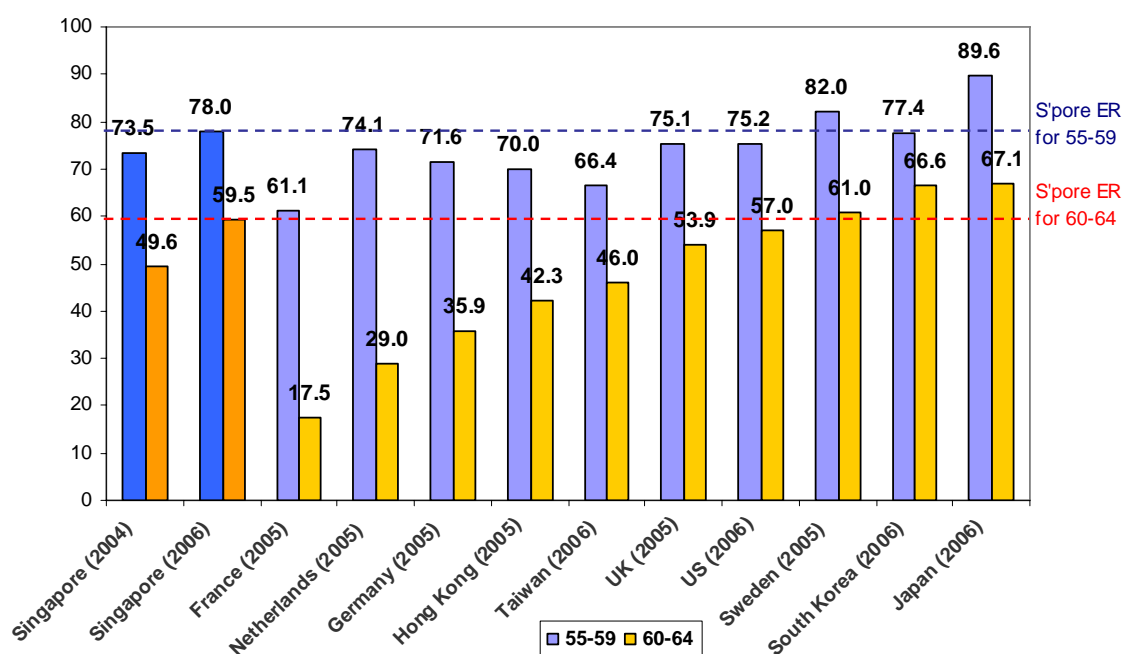
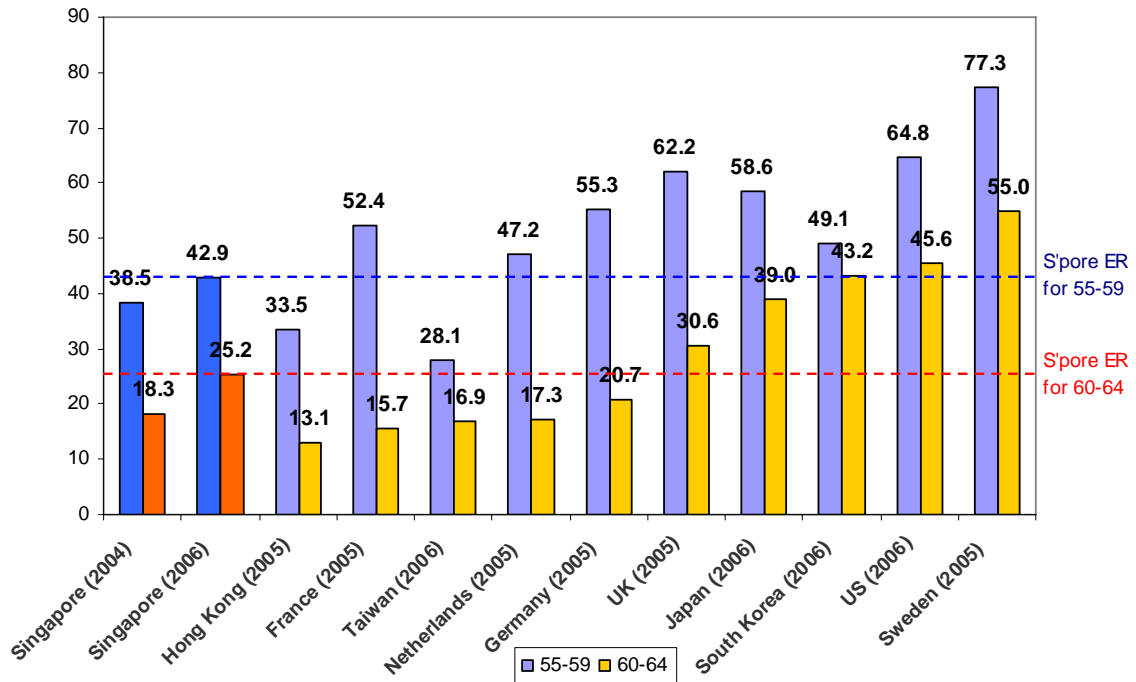


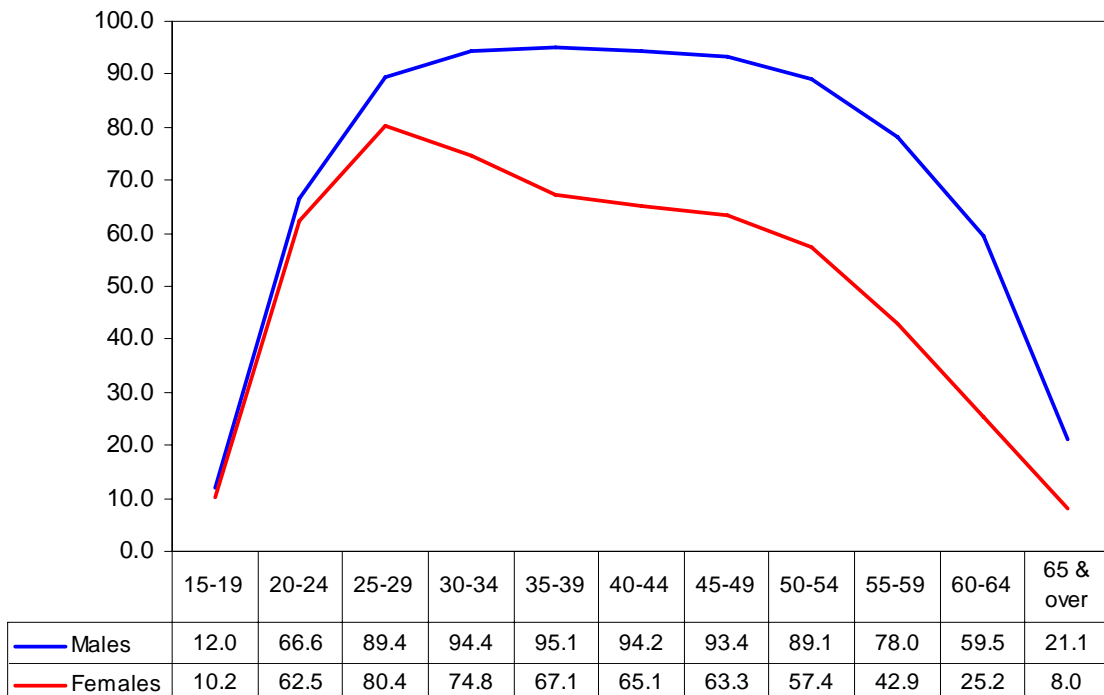
CHART 3.2 EMPLOYMENT RATE (%) OF FEMALE RESIDENT POPULATION (AGED 55 TO 64)



Source for Charts:

Singapore data – Labour Force Survey 2004 and 2006. Data for 2005 is not included as the Labour Force Survey was not conducted in 2005. Overseas data were compiled from various sources by MOM.

CHART 3.3 RESIDENT EMPLOYMENT RATES (%) BY GENDER (AS AT JUNE 2006)



Source: Labour Force Survey 2006.

26. The Committee has identified the raising of the employment rate of females as one of its key focus going forward. **Targeted efforts are needed to encourage women who are not working to enter or return to the workforce as well as to help them find suitable employment opportunities.** A “Women Back To Work” Committee, led by NTUC has been set up to help women return to work. It comprises members from NTUC, SNEF, WDA, Community Development Councils (CDCs) and various self-help groups, such as the Chinese Development Assistance Council (CDAC) and Singapore Indian Development Association (SINDA).
27. As a start, the “Women Back To Work” Committee has held focus group discussions to identify key obstacles that women face in returning to the workforce. Some of these obstacles include family commitments, lack of information on jobs available and lack of part-time or flexible work arrangements.
28. The “Women Back To Work” Committee will devise appropriate interventions to tackle these challenges. Some areas that it will look into include enhancing counselling, career guidance and training; working with care centres to address the needs of women and explore the feasibility of creating job opportunities for such women in care centres; and promoting part-time and flexible work arrangements. These interventions will benefit older female workers.
29. To give a sharper focus to enhancing the employability of older women, the Committee recommends that current efforts be consolidated into a national programme. **The Committee thus recommends that the NTUC's "Women Back to Work" Committee be elevated to a Tripartite Workgroup, led by NTUC, with participation and support of employers and the Government.**

PROMOTING THE RESTRUCTURING OF WORK ARRANGEMENTS

Promoting Part-Time and Flexible Work Opportunities

30. To boost the employment opportunities for older workers, including older women, we need to increase part-time and flexible work opportunities. One of the key factors for the relatively high female labour force participation in other countries is the prevalence of flexible work arrangements. Such arrangements, in particular the opportunity to work part-time or shorter hours, can facilitate the return of women to the labour market after marriage and childbirth, by allowing them to combine work with family responsibilities³.
31. Surveys have shown that older workers do want to work past the official retirement age. However, some older workers retire early, even though they find work rewarding, due to personal reasons such as to pursue other interests and to help with family commitments. With greater flexibility, older workers may be able to stay in work to

³ An OECD research covering 17 countries over 1985-1999 shows that an increase in the availability of part-time work opportunities does increase female participation, though not by the same extent in all countries.

continue earning an income, while attending to their personal obligations or pursuing their individual aspirations.

32. The Committee finds that employment agencies tend to focus mainly on job-matching for full-time work and pay relatively less attention to part-time and flexible work. **The Committee thus recommends more tripartite efforts to promote restructuring of work arrangements in companies to provide more part-time work opportunities.** This could be an area of focus under the ADVANTAGE! Scheme.

Box Story 3-F: EXAMPLE OF ADVANTAGE! PROJECT
<p><i>Flexible work arrangements</i></p> <p>ADVANTAGE! Project: YHS Singapore</p> <p>YHS (Singapore) Pte Ltd implemented a telecommuting scheme. Employees whose work is desk-bound in nature, are given telecommuting leave per year to work from home. This gives them the flexibility of attending to both their personal needs and still work at the same time. These employees are equipped with a portable telecommuting kit comprising of a mobile phone, wireless laptop and a portable fax/scanner/copier machine. This allows them to stay connected to the company by being able to access the company's web-based email.</p>

Supporting Community-Based Efforts

33. The Committee is also aware of various community-initiated efforts to enhance the employability of older workers. For instance, the CDAC launched the Silver Talent Programme in January 2006 targeting specifically at retirees/older Singaporeans who are 50 years and above. The programme aims to help those who are looking for work, as well as recruits active retirees to serve in CDAC's programmes as volunteers. In addition, CDAC has also set up a Silver Enterprise⁴ to provide a platform for trained older workers to practise their skills, provide their services and stay self-reliant. MENDAKI's Social Enterprise Network Singapore (SENSE), also implements programmes to help those who are unemployed due to old age to gain employment. **The Committee supports such community-based efforts to expand employment opportunities for older workers.**
34. The Committee also supports other community-based pilot projects that seek to provide job-matching services for flexible or part-time work for its constituents. One such project supported by the Committee is the pilot flexible Human Resources centre set up under the North West Community Development Council (CDC) (see Box Story 3-G).

⁴ At present, older workers who are trained in traditional Chinese massage or hairstyling skills join the CDAC Silver Enterprise and are employed to provide traditional Chinese massage, foot reflexology and hairdressing services.

**Box Story 3-G:
NORTH WEST CDC'S PILOT COMMUNITY-BASED PROJECT**

North West CDC intends to provide job placement services for its constituents who want to look for part-time/flexible/temporary work. Based on the effectiveness of and demand for such services, the existing North West CDC Job Assistance Centre will model its job-matching services after Japan's Silver Human Resources Centres (SHRC)⁵.

The centre would be able to cater to those who would like to work but are unable to commit full-time or on a permanent basis (for example, housewives with family responsibilities and senior citizens). The centre could identify and source for suitable work opportunities within the constituency or its vicinity, for example from the local town council and its contractors. The centre would also help its constituents who are unable to commit to full-time permanent employment obtain some source of income by matching them to suitable work. The centre would also encourage more of such constituents to consider returning to the workforce, be it a permanent or an informal job.

While such jobs may not offer permanent income security and other benefits compared with permanent employment, they would still go some way to provide a minimal level of income while providing work opportunities that suit the personal schedules of their members. As the tripartite partners work with employers to offer more part-time work opportunities in the formal sector, such community-level efforts would also help female and older constituents find suitable work arrangements in the semi-formal/informal sector.

HELPING OLDER LOW WAGE WORKERS

35. In February 2007, the Government announced the restructuring of the Central Provident Fund (CPF) system and the institutionalisation of Workfare to provide more incentives for older, low wage workers to work, and for employers to hire them. The changes recognised that a different solution is needed to help older low wage workers as they are affected by wage stagnation and structural unemployment as a result of increased global competition. With effect from 1 July 2007, their CPF contributions will be reduced. Their employer CPF contributions will be reduced to help these lower workers become more employable, while their employee CPF contribution will be reduced to help to increase their take-home pay.

⁵ Japan's Silver Human Resources Centres (SHRCs) have been established all over Japan since 1974. These are public-service organisations set up to provide work for older persons in retirement who would like temporary, short-term or relatively light work which relate to daily life in their communities. The objective is to increase job opportunities for older persons and to encourage active ageing. Anyone aged 60 and above who are healthy and want to work can join as members. There are currently 1,866 centres throughout Japan with a combined membership of 760,000 who are active in their local communities.

36. To complement these changes, a new Workfare Income Supplement (WIS) Scheme will be introduced, and the WIS payouts will, in general, more than offset the reductions in their CPF contributions. The principal target group of WIS is older, full time workers aged above 45 years who earn \$1,000 or less, although coverage will also be extended to those above 35 years old who earn \$1,500 or less. Thus, workers above the age of 45 will receive higher WIS benefits, up to a maximum annual payout of \$1,200.
37. **The Committee recommends that the Government consider giving an even higher Workfare Income Supplement (WIS) payout to low income workers above the age of 55, when the scheme is reviewed in 3 years' time.** This is because this group of older workers is more vulnerable to unemployment and generally has a lower rate of re-employment, compared with the younger age-groups, upon retrenchment. Giving these workers a higher WIS payout would give them greater incentive to work, more take-home income and further build up their retirement adequacy.
