**RAISING THE RETIREMENT AGE**

Raising the retirement age from 56 to 58 or even more merits some consideration. While it may provide some relief to the labour shortage and longer lifespans, it is not necessarily a solution. The present practice of the public sector and, to some extent, the private sector, of rehiring able, capable and willing retired staff on a contract basis to partly meet the teacher and nurse shortages, for example, allows some flexibility both ways. While it is the prerogative of the employer to retain only the better staff besides ridding himself of the deadwood, the decision to continue working or retire ultimately still rests with the employee concerned.

Unless the labour situation turns critical, the pensions bill becomes too onerous, or the country's elderly population and low birth require a relook at the structure of the working population, an optional extension of the retirement age to above 56 may serve as the better alternative to the statutory raising of the retirement age. Management and staff must have, at some point, that flexibility to be able to make decisions. The National Union of Teaching Profession, for example, advocated the raising of the retirement age for teachers way back in the early 1990s, but the overtures made by the education authorities to retiring or retired teachers then were, and still are, lukewarm. It was, however, announced August this year that public university lecturers can now serve on contract for ten years upon reaching the mandatory retirement age of 56. Clearly a laudable move this is, which could, perhaps, be extended to the whole teaching fraternity in time to come.

Similarly, offers were made to retired nurses at that time but they have not been met with encouraging responses. It indicates that such personnel, when given a choice, probably do not wish to continue in the service. While it means that the Government is probably losing experienced staff, mandatorily retaining such staff when the spirit is unwilling is neither constructive nor lucrative, both in terms of reduced productivity and in terms of occupying positions which would better be given to younger and just as, if not more, capable employees.

Generally, the mandate to use its discretionary powers represents a powerful potion for employers. However, if the country faces a tight employment market, continuing reliance of foreign labour as a stop-gap measure, sustainable economic growth and investments, as well as longer lifespans, employers will, at some point, have to grapple between holding on to their hatchet and facing up to the situation. The calls for extending the retirement age will become more strident and more pertinent as time marches on. It is an issue that will likely have to be faced, not from the dominant perspective of management advantage, but from a macro perspective vis-a-vis the social implications.

The average life expectancy of Malaysians now is about 73 years old, against 54 in 1960. This is said to be the fourth highest life expectancy among developing countries in the Asia Pacific region. In 2000, 4 per cent of the total population were aged above 65, while it was 4.3 per cent in the second quarter of 2005, and this is expected to rise to 7.3 per cent in 2020. There are an estimated 513,689 pensioners in 2004, many in the lower-income group, with the number expected to grow by about 7 per cent annually.

Progress has, in many ways, wiped out traditional values of filial piety and there will be an increasing number of senior citizens in nursing homes or left to fend for themselves. Already, the present trend of couples having fewer children has resulted in an increasing number of aged parents being sent to nursing homes. For instance, compared to many families of yesteryears which comprised of between 6-10 children who could take turns to care for their parents, a pair of siblings these days would find it hard taking care of their parents and in-laws, in addition to their own families. Provided these seniors are still able to work, keeping them in the workforce might have to be considered as much a matter of social justification in much the same way as retaining students up to Form Five is considered preferable to throwing the dropouts into an uncertain future. The recent initiative by the Government March this year allowing only one credit instead of two for entry eligibility for diploma and certificate courses is indeed commendable and timely.

In the same vein, then, perhaps employers, in the long run, will have to consider allowing workers to retire at 58 or later. To retain those able and willing to stay on the job after 56 will allow both parties the flexibility to exercise some degree of choice.

For one, employees aged 55 and above may still be very efficient, able and productive to the organisation they are attached to and the country as a whole. It is only logical then that those who are still productive may prefer to continue working, if not for the mandatory age of retirement. In fact, the retired work force represents “a huge pool” of “overlooked talent” for short-term projects. The company pays the retired professionals and managers as independent contractors for stints that usually last a few months. It is easier, faster and cheaper to rely on retired employees for brief periods than to relocate a regular expatriate, who would typically expect to stay three years or more.

On the other hand, unemployed graduates and retirees may be able to complement each other well. Not only can retirees who are still able to contribute positively help the company inaugurate joint ventures, they may also be employed to train unemployed graduates who, in turn, will be able to gain hands-on experience faster and better under the immediate guidance of a superior. And employers do not have to worry about retrenching the older employees either, for when companies scale back, the retirees just go back to retirement.

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