

Tripartism in Action – Strategic Policies in an Ageing Workforce



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Content

1.	Introduction	03
2.	Preparing for An Ageing Population: Keeping Older Workers Employed Retirement Age Legislation	06
3.	Implementing the Retirement Age Act – Minimum retirement age at 60	09
4.	Raising Retirement Age	11
5.	Re-employment after the Retirement Age	13
	5.1 Models to enhance employability of older workers beyond retirement age	13
6.	Introducing Re-employment Concept to the Public	16
	6.1 Ground Preparation	17
7.	Adapting Re-employment to New Challenges: Raising Re-employment Age	21
8.	The Future of an Ageing Workforce	27
9.	Case Study on ComfortDelGro Corporation Limited	29

This case study was written by Dr Chia Ngee Choon, Associate Professor, National University of Singapore, with contributions from Tripartite Collective (TC) partners – Ministry of Manpower (MOM), National Trades Congress (NTUC), Singapore National Employers (SNEF) and Lim Kia Yee, Research Assistant.

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Introduction

Singapore's population is ageing rapidly due to a combination of low fertility rates and increasing life expectancy. Singapore became an ageing society in 1999 when 7% of its population was aged 65 and above (Department of Statistics, 2020e). Singapore will become super-aged by 2026, with over 20 per cent of its population being 65 and above. While Japan became the world's first super-aged country in 2007, taking 37 years to transition from ageing to super-aged, Singapore will make the transition quicker, in 26 years. This implies that Singapore has less time to prepare for a super-aged society. Besides fiscal implications, this demographic transition presents major challenges to Singapore's economic growth due to ageing labour force.

Michael Herrmann, Senior Adviser on Economic and Demography at the United Nations Population Fund (UNFPA) opined in 2012 that "demography is not destiny and can be shaped by policies."¹ Even if the countries were to experience a shrinking workforce, it does not always lead to decline in economic output. "The productivity of labour is more important for economic output than the mere size of the labour force." Countries could also adapt to effectively address this

shortage. Most "alarmists" focused on the old age dependency ratio measure. Herrmann argued that economic dependency ratio – the number of those employed relative to the total population – is a more appropriate measure. Herrmann opined that "what matters for actual dependencies is not whether people are in working age or not, but whether people have a productive and remunerative job and can independently sustain themselves". (Herrmann, 2012, p. 26). Countries that implement policies to boost overall employment, address underemployment, and integrate healthy, active, and productive older workers could potentially benefit from a second demographic dividend.

This "non-alarmist" perspective of demographic analysis perspective is also supported by research by Calvo-Sotomayor et al. who examined the influence of workforce ageing on labour productivity in Europe using panel data for 24 countries.² Their findings indicate that the negative relationship between labour force ageing and productivity is less pronounced when using data from the recent period (1983 to 2014) compared to longer period (1950 to 2014). This muted impact is due to the progressive pivoting of the economies towards capital and/or knowledge intensive production technologies that dilute or even counteract the negative impact of workforce ageing on labour productivity loss. Therefore, societal and economic adaptation to ageing through automation and robotization could positively influence productivity despite an ageing workforce.

"Demography is not destiny and can be shaped by policies"

Michael Herrmann, United Nations Population Fund, 2012

¹Michael Herrman. Population Ageing and Economic Development: Anxieties and Policy Responses. *Journal of Population Ageing*, 2012, 5:23 – 26.

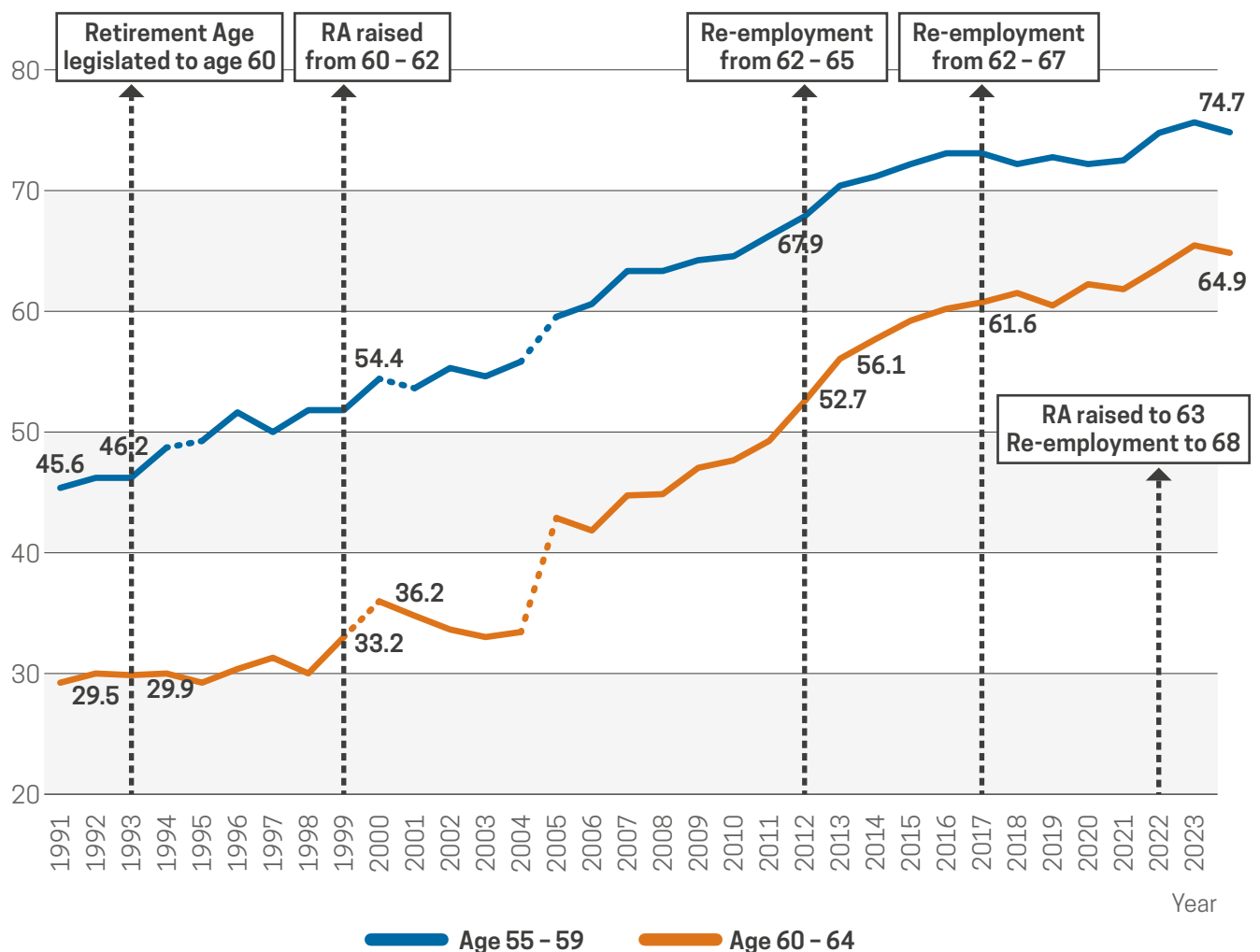
²Calvo-Sotomayor, I., Laka, J. P., Aguado, R. Workforce Ageing and Labour Productivity in Europe *Sustainability* 2019, 11(20), 5851; <https://doi.org/10.3390/su11205851>.

Undoubtedly, the swift ageing of Singapore population will put substantial pressure on its workforce and social support systems. Amidst this demographic transition, the economy is also undergoing fundamental restructuring. This case study explores how tripartism facilitates the implementation of strategic policies aimed at managing the employment and employability of older workers. It will also study policy and societal adaptations in response to the challenges posed by an ageing workforce on employers. The study focuses on the economic and labour market

development over the past three decades, which also marks Singapore's demographic transition from a young to an ageing and aged society.

These policy measures have been successful in raising employment of older workers. As can be gleaned from Figure 1, employment rate among older workers aged 60 – 64 has more than doubled, rising from 29.5% in 1991 to 64.9% in 2023. Similar trends are also observed among those aged between 55 – 59.

Figure 1: Employment Rate of Older Workers (age 60 – 64) and Future Older Workers (age 55 – 59), 1991 to 2023.

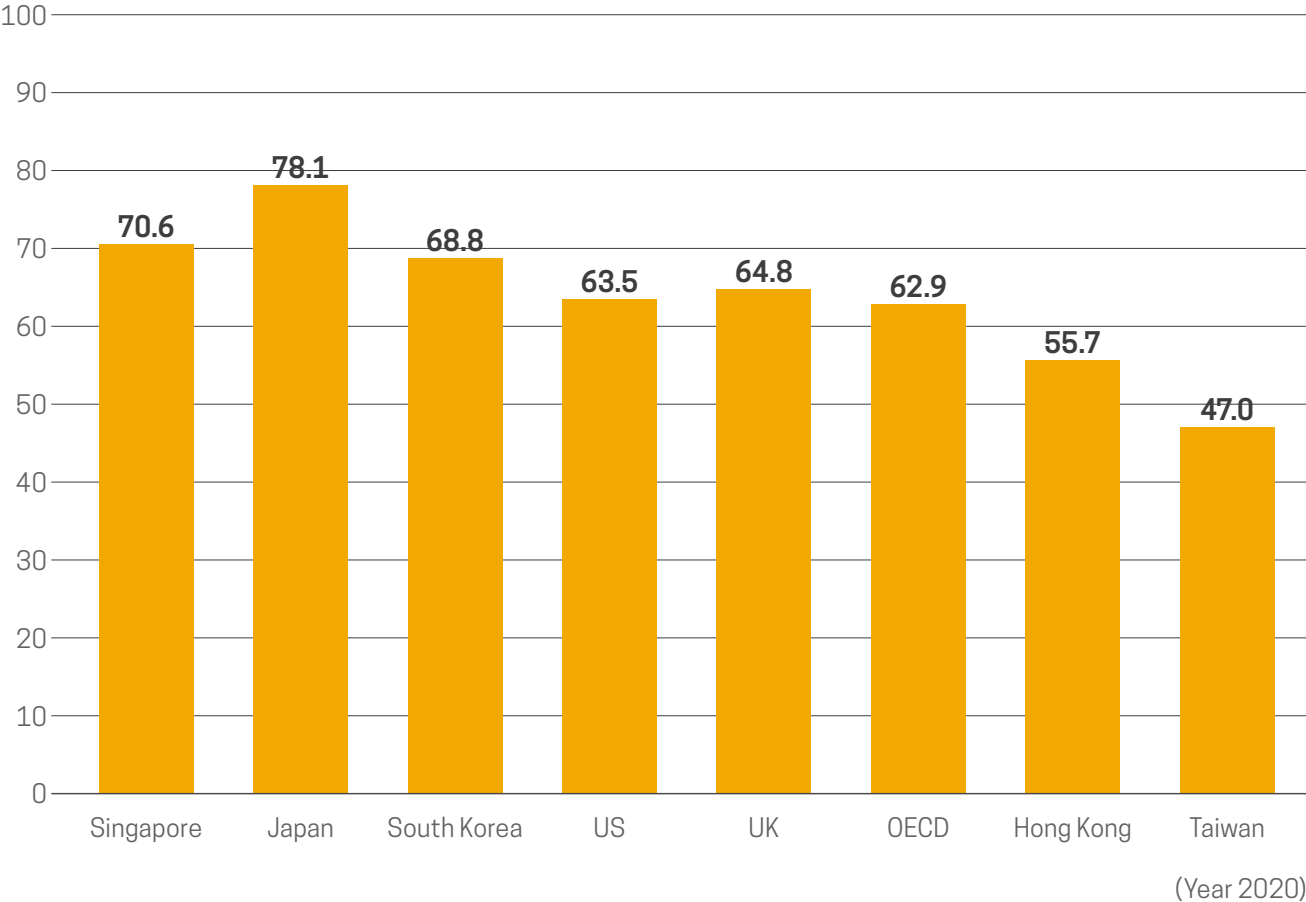


Source: Data culled from Ministry of Manpower, Comprehensive Labour Force Survey, various years.

Note: Data for 1995, 2000 and 2005 are not available as the Comprehensive Labour Force Survey was not conducted in these years due to the conduct of the Census and General Household Survey by the Singapore Department of Statistics.

Compared to the countries presented in Figure 2, Singapore has performed very well in maintaining employment for older workers. Among workers aged 55 – 64, Singapore's employment rate of 70.6% surpasses the average for OECD countries, at 62.9%. In the sample countries, Japanese older workers have the highest employment rate, at 78.1%, nearly 8 percentage points higher than Singapore's. This indicates that there is still room for improvement in keeping older workers meaningfully engaged in the Singapore workforce.

Figure 2: Employment Rates of Older Workers Aged 55 – 64 in 2022.



Source: International Labour Organization, ILO-STATISTICS.

Preparing for An Ageing Population: Keeping Older Workers Employed

Retirement Age Legislation

In the 1980s, concerns were growing about an ageing population, increasing life expectancy, a tight labour market, and reliance on foreign workers. At that time, the workforce still adhered to the colonial practice of retiring at 55, which prevented the economy from harnessing the valuable skills and experience of older workers.

In June 1980, the Ministry of Labour proposed raising the retirement age from 55 to 60 to address labour shortage. Mr Jack Chia, President of the Singapore National Employers Federation (SNEF)³ supported the notion that, “People of age 55 or more who are mentally and physically fit should be encouraged to continue working.”⁴ However, he maintained that raising the retirement age should not be mandatory as employers had long recognized the benefits of re-employing productive and capable workers, with several companies already re-engaging retired workers on a yearly basis until the age of 60.

At that time, there was no legislation regarding retirement age; the prevailing concern was that implementing mandatory retirement age laws would create inflexibility. SNEF’s position was that the existing system, which set a minimum retirement age of 55 with possible extensions up to 60 years of age based on mutual agreement, should be maintained. Instead SNEF proposed launching a public education programme to change the attitudes towards the elderly, setting up a permanent body to deal with issues relating to older workers and allowing re-employment which needs not be based on the last drawn salary or on the same job with the same employer.⁵

Two years later, in June 1982, the Committee on the Problems of the Aged, was appointed, chaired by the then Minister for Health, Mr Howe Yoon Chong. The Committee was tasked to study ways and means of getting people to continue working beyond 55. The Howe Report suggested that “The government should set the pace by

³Singapore National Employers Federation (SNEF) was formed through the merger of the Singapore Employers Federation (SEF) and the National Employers Federation (NEC) and registered with the Registry of Trade Unions on 1 July 1980.

⁴SNEF, *Advancing Tripartism, Responsible Employers*, p. 94.

⁵*Ibid*, p. 95.

liberally re-employing its employees beyond 65.”⁶ The report also proposed several innovative ideas for keeping older workers employed, such as tying wages of re-employed workers to productivity rather than seniority, providing more employment options for older workers (such as part-time work, flexible working arrangements, and work-at-home options), and retraining older workers to enable them to take on new jobs. However, the Howe Report stirred public controversy due to its recommendation to stop the lumpsum withdrawal of CPF monies and to increase the withdrawal age from 55 to 60 and gradually to 65.

Realising the importance of keeping workers employed, SNEF organised a two-week study mission to Japan in October/November 1984 with participation from the Ministry of Labour, National Trades Union Congress (NTUC) and the National Productivity Board to find out how Japanese companies handled the employment of older workers and retirees.

The mission pointed out that wages should be aligned to productivity. There was a need to prepare workers psychologically to accept the idea of working beyond 55 and “accept possible changes in work, salary, benefits, patterns of work and lifestyle. The current attitude towards work and the social stigma associated with accepting a lower paid or lower status job has to be removed if there is to be continued employment of older workers.”⁷

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SNEF, Advancing Tripartism, Responsible Employers, 2010, p. 95

⁶The proposals that were shelved included proposals to stop lump-sum withdrawal CPF savings, annuitized CPF savings, and inflation-indexing payouts in the drawdown phase. See Howe Yoon Chong, Problems of the Aged: Report of the Committee on the Problems of the Aged, 1984, pages 5 and 27. Accessed at <https://www.nlb.gov.sg/main/article-detail?cmsuuiid=710ecad3-dad8-431f-8670-23ac0c6ccc22>.

⁷SNEF, Advancing Tripartism, Responsible Employers, p. 95.

In 1988, the government focused its strategies on keeping older workers employed by encouraging employers to voluntarily raise the retirement age beyond 55 and set a three-year time frame to allow employers to do so. However, a survey conducted in early 1992 by the Ministry of Labour, revealed that this effort did not achieve the desired success. Minister for Labour, Dr Lee Boon Yang shared that the survey, covering 12,681 companies, indicated that while 72% of unionised companies had raised the retirement age to 60 years and older, the response from non-unionised companies was much less enthusiastic, with only 4.5% of them doing the same. Since the non-unionised sector was larger than the unionised sector, overall, only 10% of all companies surveyed had voluntarily increased the retirement age.⁸

Despite government's efforts to nudge employers to voluntarily raise retirement age, there were challenges. From the employers' perspective, increasing the retirement age should not be mandatory as it would limit their flexibility to match job requirements to the suitability of older workers. Higher costs could be incurred if companies were forced to retain staff who were unproductive or even unnecessary.

The President of SNEF, Mr Stephen Lee, reiterated the employers' concern that retirement age should be kept flexible as a higher retirement age may not be suitable for workers in physically demanding roles. He said, "Given better health and better opportunity, our workers can carry on. However, we must keep in mind that 60 may not be a suitable retirement age for everyone, especially those holding strenuous positions in the construction and ship-repairing lines."⁹ There was a reckoning by the employers that unions and management should work together to resolve this.

"SNEF supports the raising of the retirement age as Singapore cannot afford to have a large slice of our workforce economically inactive... Compared to industrialised countries, our retirement age of 55 is too early."

Mr Stephen Lee, SNEF Advancing Tripartism, Responsible Employers, 2010, p. 94

⁸Lee Boon Yang, Second Reading of the Retirement Age Bill. Chapter 274A, Act 14 of 1993, in Column 31.

⁹SNEF, Advancing Tripartism, Responsible Employers, p. 96.

Implementing the Retirement Age Act – **Minimum retirement age at 60**

Given the practice by unionised companies in raising retirement age, the Government decided that legislation was needed to cover all companies to extend the working life of all Singaporeans. On 1 July 1993, the Retirement Age Act was introduced legislating a minimum retirement age of 60 for all employees.

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At a SNEF annual general meeting luncheon on 30 July 1993, Minister for Labour Dr. Lee Boon Yang explained the rationale behind passing the Act. He stated, “In a tight labour market situation, it is inevitable that recruiting new workers is becoming more and more difficult and yet, until recently, the norm has been for employers to

retire employees at the age of 55 years. This practice does not maximise the economic contribution of our scarce manpower.” The purpose of the Retirement Age Act was to extend the retirement age from 55 to 60 years, thereby enhancing the economic contribution of older workers. Describing the new legislation as “rather novel and unique,” he added that employers and unionists had been consulted to avoid any potential implementation problems. This was the beginning of the tripartite collaboration to achieve a “win-win-win” solution.¹⁰

Employers voiced concern that employing older workers would cost more in salaries and medical expenses. To help allay employers’ concern on cost competitiveness, the tripartite partners agreed to reduce CPF employer’s contribution rate for employees aged between 55 and 60 by 5 percentage points, from 12.5% to 7.5%.¹¹ Workers could continue to withdraw their savings at 55, which was a common concern

¹⁰Lim Swee Say coined this to describe the three dividends of tripartism – win for the employers, win for the workers and win for the economy.

¹¹CPF contribution is a cost to employers, but a benefit to employees in the central provident fund system. The cut in July 1993 was the beginning of CPF cuts by employers. By January 1999, CPF employer contribution rate hit a historical low at 4%. As retirement adequacy became a policy concern in the 2000s, contribution rate by employers increased gradually while employee contribution rate stayed at 12.5% (July 1990 to Aug 2012). Employers’ contribution rate was: 4.5% in April 2000, 6% in Jan 2007, 7.5% in 2007, 8% in Sep 2010, 8.5% in Mar 2011, 9% in Sep 2011, 10.5% in Sep 2012. As of 2023, the total contribution rates for workers (55-60) are 22% with 11.5% from employers; for workers above 60 to 65%, total rate is 16.5%, with 9% from employers; for works above 70, total rate is 12.5% with 7.5% from employers.

raised among Members of Parliament. The Labour Minister also warned against “treating the CPF concession as a windfall; the savings should be used to train and upgrade older workers.”¹²

Another major employers’ concern was that extending the retirement age might not be suitable for certain employees due to the nature of their work. Addressing this concern raised by SNEF President, Mr Stephen Lee, Dr Lee Boon

Yang revealed that the Ministry of Labour had created a list of worker categories exempt from the new law. This list includes employees on fixed-term contracts; jobs unsuitable for older employees due to health and safety reasons; physically demanding jobs hazardous for older workers; occupations requiring attributes such as dexterity and good eyesight; and “certain classes of employees necessary for maintaining a particular corporate or service quality image.”¹³

¹²Singapore, Business Times, 13 April 1993.

¹³SNEF, *Advancing Tripartism, Responsible Employers*, p. 97.

Raising Retirement Age

In 1994, the government announced a long-term goal of raising the retirement age to 67. Responding to the announcement, NTUC established a workgroup to examine the challenges and consequences of raising the effective retirement age. The workgroup published the study report on 8 September 1995¹⁴ and presented their findings a week later at the Pre-Ordinary Delegates' Conference. The study emphasized that the "complex issues of managing ageing workforce which includes the extension of the retirement age must be done in the spirit of tripartism" and recommended "tripartite deliberations" to resolve these issues.

In November 1995, the government appointed the Tripartite Committee on the Extension of the Retirement Age (TriCom 1995)¹⁵ to study how the retirement age could be progressively raised to 67. TriCom 1995 was also tasked to address the cost implications of higher retirement age on business competitiveness and its recommendations will be "negotiated" outcome among the three parties.

Employers were primarily worried that raising the retirement age could impact their business competitiveness unless their cost burden was reduced accordingly. The three areas of cost concerns were seniority-based wages, retrenchment benefits, and medical copayments. The key issue with a seniority-based wage system is that it creates significant wage

disparities among employees performing the same job - the longer a worker has been employed, the higher is his pay. Wage levels are then determined more by an employee's length of service than by the value of his job or performance. As a result, "older workers are often being paid beyond their job worth. This explained employers' reluctance to retain or to employ older workers." To address disparity caused by a seniority-based wage system, employers advocated for a 10% wage cut for older workers, aged 60 and above, to be legislated through an "enabling clause."¹⁶ To supplement the wage cut for older workers, TriCom 1995 also proposed reducing the employer's CPF contribution rate from 7.5% to 4% for employees aged 60 – 65 years and from 5% to 4% for employees over 65 years.

Another cost concern was the formula that pegged retrenchment benefits at one month for every year of service. SNEF sought to cap these benefits at a maximum of 25 years. As medical costs increase with age, rising medical expenses for older workers also posed a concern. This led employers to propose alternative portable medical health insurance system. An alternative hospital insurance was considered a necessary complement. The proposed medical scheme comprised co-payment for outpatient medical benefits and making additional Medisave contributions, encouraging individuals to take responsibility for their own health and use their medical benefits responsibly.

¹⁴Ong Sin Tiong, email communication, 7 August 2024.

¹⁵In this report, TriCom is identified by the year it was established and its specified terms of reference.

¹⁶There is a provision in the legislation for Salary adjustment at 60 years of age. See Retirement and Re-employment Act (Chapter 274A), Revised Edition 2000, Section 4.

While employers worried the impacts of extending retirement age on cost burden, unions opposed excessive wage and benefit reductions, fearing it would discourage older workers from staying employed. Mr. Lim Swee Say, Deputy Secretary-General of the NTUC at that time, voiced his worry: “From the union's perspective, we hope this is only a temporary arrangement because the long-term solution is to move away from the seniority-based wage system towards a base-up wage system.”¹⁷ He also raised a valid concern that during an economic downturn, even with the legal amendment, there is no guarantee of employment as it largely depends on the availability of job opportunities. Dr Lee Boon Yang concurred, noting the increased difficulty of ensuring older Singaporeans remain employed in such situations. He urged employers not to penalize older workers, even when downsizing is necessary.¹⁸

In its review, TriCom 1995 found that raising the retirement age was generally well-received by both employers and workers. While there was general support for a gradual increase beyond 60, there were reservations about the pace of these increases and concerns about extending the retirement age specifically to 67. Finally, TriCom recommended to raise retirement age to 62 as the first step.

Due to the complexity of the issues involved, discussions were protracted and difficult. The TriCom took nearly three years to release its final recommendations in 1997, having had to recess for a period to reach consensus.

During the 1997 May Day Dinner, DPM Lee Hsien Loong remarked, “Delaying the issue will only make it harder to solve. Early completion of the Committee's work will benefit workers who are nearing retirement age and wish to continue working.”¹⁹

“Delaying the issue will only make it harder to solve”

DPM Lee Hsien Loong, 1997 May Day Dinner

To allow both employers and employees to adjust to the extension of the retirement age to age 62, wage reductions were legislated while the rest were put into guidelines for gradual adoption. Reflecting on this decision in 2009, Dr Lee Boon Yang described it as “one of the most difficult moves” he had to make but said it was necessary “to help Singapore adjust to an ageing society”.²⁰ Indeed, as at 1999, more than 7% of the population was aged 65 and above and Singapore transitioned from a young to an ageing society.

“Raising retirement age is ‘one of the most difficult moves’ but it was necessary ‘to help Singapore adjust to an ageing society’”

Mr Lee Boon Yang, Minister for Manpower, November 1998

¹⁷Lim Swee Say, Retirement Bill Reading, Parliamentary Debate on Retirement Age (Amendment) Bill, November 1998, Column 1682.

¹⁸Lee Boon Yang, Retirement Bill Reading, Parliamentary Debate on Retirement Age (Amendment) Bill, November 1998, Column 1665.

¹⁹Speech by Lee Hsien Loong, May Day Dinner, 30 April 1997. Url: <https://www.nas.gov.sg/archivesonline/data/pdfdoc/1997050205.htm>

²⁰SNEF (2010), p. 98.

Re-employment after the Retirement Age

Models to enhance employability of older workers beyond retirement age

By 2005, it was clear that Singapore needed to adopt strategic policies to address the challenges of Singapore's ageing population. The proportion of older workers in the workforce was projected to increase rapidly, and many older workers were struggling with retirement adequacy as only about 40% of active CPF members met the CPF minimum sum requirements at age 55 in 2004.

To tackle these issues, the Tripartite Committee on Employability of Older Workers was established in March 2005 (TriCom 2005), chaired by Mr Gan Kim Yong, then Minister of State for Education and Manpower. TriCom 2005 was tasked to identify the challenges affecting the employability of older workers. This included examining measures like job redesign, new employment arrangements, reviewing wage and benefits structures, and enhancing and upgrading skills for older workers. Additionally, TriCom was to formulate a broad strategy to shift perceptions and attitudes among both employers and employees regarding the employability of older workers.

Chair of TriCom 2005 wanted to look at other models to enhance employability of older workers beyond raising the retirement age. SNEF President Mr Stephen Lee recounted that the tripartite

partners decided to look at Japan as a model ("it is 20 to 30 years ahead of us in this") and tried to find out how it has grappled with this issue.²¹ NTUC Deputy Secretary-General, Mr Heng Chee How recounted that "Singapore started with extending statutory retirement age. Then we found out that Japan that innovated a new concept of Re-employment (i.e. continuing to work, but not necessarily the same job, and thus not necessarily the same terms of work).²²

The tripartite partners made several study trips to Japan to gain insights into how Japan addressed cost competitiveness concerns related to hiring older workers. According to then-NTUC Director of Industrial Relations, Ms Cham Hui Fong, the study trip was eye-opening, presenting various options to keep older workers employed, such as raising the retirement age to 65, abolishing internal retirement age, and re-employment strategies.²³ The members visited several large Japanese companies, for example, Seiko. They observed that even in companies that had abolished the retirement age, "workers still felt confident that they won't get fired." Without retirement age, workers can continue working for as long as they wish. Workers in Seiko had the assurance that they won't be retrenched and

²¹SNEF, *Advancing Tripartism, Responsible Employers*, p. 135. The tripartite partners also studied other countries, such as Nordic countries but only Japan has the re-employment model.

²²Heng Chee How, email interview, 27 July 2024.

²³Cham Hui Fong, interview, 1 August 2024. Currently the Workforce Group Director of the National Trades Union Congress (NTUC) and Deputy Secretary-General, she was part of the group that went on a study trip to Japan in 2005.

that they can continue working. The study group also had the opportunity to see how employers redesigned jobs and having a performance-based system with merit increments and more grades to extend career progression.

The tripartite partners adapted this concept to the Singapore context. For instance, the option of removing the retirement age was not considered as this would not achieve the objective of helping workers stay employed longer. Re-employment was the preferred model. Mr Gan Kim Yong explained: “re-employment is an attractive model as it is a more flexible and effective way to help workers work for as long as they are able to. It allows both the employer and the worker to make changes to the existing job arrangements when the worker reaches retirement age. For instance, the worker may wish to work part-time or to take on less responsibility. The company may, on the other hand, need to re-deploy the worker to another job to facilitate leadership renewal. And, even if the worker is retained in the same job, the company may have to adjust his seniority-based wages. This flexibility will allow the company to remain competitive and keep the worker employable.”²⁴

Mr Heng Chee How also elaborated on how Singapore adapted the re-employment model by legislating re-employment with support from tripartite partners. For example, the Japanese model (initially) only exhorts companies to practice re-employment whereas the Singaporean model strengthens that to a default requirement together with an arbitration mechanism, in the event of dispute. “So we have shown the willingness and ability to learn and adapt for more effective implementation.”²⁵

The study trip also revealed that Japan’s success in re-employment resulted from a combination of favourable preconditions. Workers in Japan had a strong desire to continue working, were generally able to adapt to new roles, and the work environment was supportive of retraining older workers. Recognizing that the success of re-employment in Singapore would rely on similar conditions, the committee members concentrated policies to establish and create these preconditions.

²⁴ <https://www.mom.gov.sg/newsroom/speeches/2008/committee-of-supply-speech-part-3-by-mr-gan-kim-yong-minister-of-state-for-manpower-and-education-05-march-2008-1200-pm-parliament>.

²⁵ Heng Chee How, email interview, 27 July 2024.

The Japanese re-employment model was successful largely because Japanese employers were proactive in engaging older workers prior to re-employment. Reflecting on her learning from the study trip, Ms Cham Hui Fong noted that “to ensure cost competitiveness, a lot of work needs to be done upstream, such as job redesign and looking at cost structure to make sure that the cost structure is competitive... So we actually took back quite a lot of learnings from them, including pre-career counselling, typically starting 5 to 10 years before retirement, depending on how progressive the company is.”²⁶

Ms Cham Hui Fong also observed that Japanese society is “much appreciative of their older workers and that older workers took pride in their jobs and receive a lot of respect from those around them. These aspects of Japanese work culture are something that Singapore can aspire to emulate.

TriCom 2005 found the Japanese re-employment model, which did not adversely affect cost competitiveness, promising. But TriCom recognized that considerable groundwork was required, as the concept of re-employment was unfamiliar to the general public at that time, TriCom recommended a five-year notice period before implementing the re-employment legislation.

²⁶Cham Hui Fong, interview, 1 August 2024.

Introducing Re-employment Concept to the Public

In May 2007, TriCom 2005 released its report, outlining structured strategies to enhance employability of older workers. The four key strategies are: expanding employment opportunities for older workers through job-redesign; enhancing cost competitiveness of older workers through age neutral remuneration system; raising skills and value of older workers through training and skill upgrading and changing mindsets of older workers and fostering positive perceptions towards older workers.

The report also recommended that the Government introduce legislative changes within five years to facilitate opportunities for older workers to work beyond age 62. One proposal was to implement legislation to obligate companies to re-employ workers when they reach retirement age, similar to the system in Japan. This legislation was viewed by the tripartite partners as a powerful signal and tool to influence behaviour and drive corporate practices.²⁷

The concept of re-employment was introduced to the public by Prime Minister Mr Lee Hsien Loong at the National Day Rally in August 2007. He announced that the new law is part of the Government's efforts to help older workers remain economically active and “to ensure that every individual can lead a productive and dignified life into their senior years.”²⁸

He said: “By 2030, one fifth of our population will be 65 years and older. This is nearly one million people, three times the number today. The best way for people to adjust to longer lifespan is to continue working for as long as they can and to keep themselves occupied after formal retirement. People today are healthier, and the nature of work has changed. We can continue to lead active and useful lives well into our old age. We are legislating not to further delay the retirement age, but to require employers to offer re-employment to workers at 62 for another three years until 65, though not necessarily in the same job or at the same pay.”²⁹

“We are legislating not to further delay the retirement age, but to require employers to offer re-employment to workers...”

PM Lee Hsien Loong, National Day Rally 2007

²⁷ TriCom 2005, Tripartite Committee on Employability of Older Workers Report, 17 May 2007.

²⁸ Lee Hsien Loong, National Day Rally 2007, 19 August 2007. Url: <https://www.pmo.gov.sg/Newsroom/Nationa-Day-Rally-2007>.

²⁹ Ibid.

Ground Preparation

Responding to then-Prime Minister Lee's announcement of a re-employment legislation, a Tripartite Implementation Workgroup (TIWG) was established in October 2007 under the TriCom (2005), chaired by Vice-President of SNEF, Mr Alexander C. Melchers. TIWG was tasked to focus on re-employment implementation issues, and to help companies in making early preparations to put in place re-employment practices before the legislation was enacted. As re-employment was a new concept for many employers, TIWG drafted a Tripartite Advisory to help guide employers and workers. The Tripartite Advisory addressed key implementation issues, including identifying eligible employees for re-employment, planning and consultation before retirement, job arrangements under re-employment, and the duration of re-employment contracts. It also outlined the process for employees who cannot be re-employed to seek assistance.

Affirming the Government's decision to adopt the Japanese re-employment model rather than European model of extending retirement age, Mr Alexander Melchers emphasized the advantages for employers. He explained "The key feature that benefits employers is that re-employment allows employers to re-employ employees in different jobs and/or for a different pay. This gives employers the flexibility to manage

renewals at all levels and maintain cost competitiveness, that's a very balanced approach." He urged, "Companies should do this as soon as possible, because this is not a process that can be accomplished overnight."³⁰ For re-employment to work, companies need to start reviewing and implementing changes to their HR systems and policies, including performance management and wage structures.

To support early adoption of re-employment, the government introduced funding assistance scheme (ADVANTAGE!) to incentivize and encourage employers to voluntarily implement re-employment policies and processes. Companies could utilize this funding to provide training for older workers before they reach retirement; and to support the implementation of HR policies and systems that facilitate the recruitment, retention, and re-employment of older workers. By 2008, the financial support was enhanced from the initial \$300,000 to \$400,000 per company.³¹

³⁰New Tripartite Advisory released to help companies implement re-employment early, 23 April 2008. Url: <https://www.mom.gov.sg/newsroom/press-releases/2008/new-tripartite-advisory-released-to-help-companies-implement-re-employment-early>.

³¹Gan Kim Yong, Committee of Supply Speech (para 6) on 5 March 2008. He shared the successful early adoption of re-employment by West Pharmaceutical Services. WestPharm implemented re-employment policy in November 2007 after utilizing the ADVANTAGE! scheme. It had established a process to discuss available re-employment options with workers 12 months before their retirement and to make formal offer six months prior to retirement. For employees redeployed to new roles, the company provided relevant training. Re-employment contracts offered were at least two years' duration, subject to annual reviews. Wages for re-employed workers could be adjusted based on the job's value and the worker's competencies. Besides WestPharm, other early adopters of re-employment after tapping into the ADVANTAGE!, included Singapore Food Industries, Robinsons, Mitsui Sumitomo Insurance, among others.

In the five years leading up to the legislation of re-employment, tripartite partners collaborated to encourage as many employers as possible to voluntarily implement policies and processes that enable older workers to continue working beyond the age of 62. The government, as the largest employer, led by example, implementing re-employment ahead of the legislation. SNEF conducted re-employment coaching and mentoring workshops for supervisors, managers and head of departments. Public campaigns were also launched to raise awareness about re-employment.³²

Union leaders also held forums and discussion briefings to address workers' concerns, often expressed as, "Are you asking companies to cut my pay?" Union leaders needed to reassure workers that the goal was to promote extensive training and upskilling to prepare for re-employment.³³

Then NTUC Director of Industrial Relations and TIWG member Ms Cham Hui Fong highlighted that there was a need for both employers and workers to change their mindsets on employment beyond the age of 62. "Employers should regard these long-serving employees as an integral part of their value chain and recognise their contributions to the organisation. They should be willing to accommodate the needs of re-employed workers, for instance by providing flexibility in job arrangements. Meanwhile, workers must be adaptable and be prepared to accept that re-employment may mean doing a different job, with a different pay. Both employers and

employees also need to continue to develop skills upgrading programmes to prepare for re-employment."³⁴

From the Japanese experience, NTUC learned that a holistic approach is needed for successful re-employment. NTUC Assistant Secretary-General, Mdm Halimah Jacob noted that "it is not sufficient to focus on companies alone as workers too need to re-adjust, moderate their expectations and prepare for new challenges if they want to remain gainfully employed." NTUC introduced two key interventions to lay the ground for re-employment: the Senior Employment Guidance (SEG) Programme designed to help older workers prepare for continued employment beyond retirement age, and the U Health Programme aimed at keeping older workers healthy and fit for work. This is crucial as many older workers wish to continue working face health challenges that can become a major obstacle to their re-employment. This is because employers are understandably concerned about the potential higher medical costs associated with re-employing older workers.³⁵

Despite the preparatory groundwork, there were still some concerns when re-employment was introduced and when employer is unable to offer re-employment to eligible employees. TIWG recommended Employment Assistance Payment (EAP) scheme. EAP is designed to help employees tide through the period when they are looking for alternative employment.³⁶ Mr Heng Chee How highlighted in the interview that there were

³²Ong Sin Tiong, email correspondence, 12 August 2024.

³³Cham Hui Fong, interview, 1 August 2024.

³⁴Ibid.

³⁵Halimah Jacob, Speech at the NTUC Re-employment of Older Workers Seminar, 8 March 2007.

³⁶Currently, Employment Assistant Payment (EAP) is offered as a last resort. EAP benefit is set at a one-off payment equivalent to 3.5 months' salary, subject to a minimum of \$6,250 and maximum of \$14,750. Information culled from Ministry of Manpower. website: <https://www.mom.gov.sg/employment-practices/re-employment>

concerns such as “whether specific employers may not implement properly or in the right spirit and details like the quantum of the Employment Assistance Payment (EAP), the lead time to commence discussions with older workers about their prospective roles in re-employment, the duration of a re-employment contract.”³⁷

Additionally, there were concerns at the individual level. To address this concern, Mr Heng Chee How said, “in unionised companies, our trade unions pay close attention to implementation of RRA enhancements and stand ready to take up cases with management to ensure fair outcomes for the workers who raise grievances. NTUC monitors the trends and use relevant insights for negotiations in subsequent phases to refine the arrangements.”³⁸

Ms Cham Hui Fong recalled that during the implementation process, “there are dicey issues. When we talk to the workers about being cost competitive, the first impression they (workers) have is that ‘are you asking companies to cut my pay? So, we must give them the assurance that we need you to go for a lot of training and upskilling [instead].” There were also challenges in promoting the retraining of older workers, noting reluctance from both employers and workers. She said, “Employers were initially not keen in investing in older workers, and older workers also felt that retraining was not worthwhile given the short time before retirement.” Efforts were made to change the organizational culture of companies regarding retraining of older workers. Ms Cham Hui Fong stated, “One of the outcomes we wanted to push was making retraining of older workers a

norm, so that they are seen as integral parts of the organization. Therefore, we should encourage them [older workers] to go for training so they can be gainfully employed.”

It was also difficult to encourage re-employment among low-income older workers as they were concerned about further reductions in their salaries, and are less willing to remain in the labour force if their wages were adjusted downwards. This led to a push for what would become the Workfare Income Supplement. Under this program, eligible low-income workers would receive cash payments and CPF top-ups, encouraging them to remain in the workforce.”³⁹ Workers above the age of 55 will receive higher WIS payout.

Other issues include ageism and age discrimination. Mdm Halimah Jacob queried the Government on strategies to prevent employers from discriminating against older workers.⁴⁰ To promote fair workplace practices, and to address discrimination against older workers, the Tripartite Alliance for Fair & Progressive Employment Practices (TAFEP) was formed. TAFEP includes representatives from all three tripartite partners to promote age-friendly hiring practices. As part of promoting fair employment practices, employers were encouraged to replace age restrictions with precise job descriptions in their advertisements. For instance, instead of stating that a position is for young individuals, they were advised to specify that the job requires physical strength.

³⁷Heng Chee How, email interview, 27 July 2024.

³⁸Ibid.

³⁹Cham Hui Fong, interview, 1 August 2024.

⁴⁰Parliament Sitting, 18 February 2005. The issue was raised again in the 2010 Committee of Supply on Ministry of Manpower on 12 March 2010.

Tripartite partners worked together to establish the groundwork for re-employment by refining their recommendations through multiple iterations before re-employment was legislated. In March 2008, the SNEF-led TIWG released the Tripartite Advisory on re-employment, followed by the Tripartite Guidelines in March 2010. After extensive consultations with employers, employees, unions, and the public, the Guidelines were revised to incorporate the feedback and suggestions received. Subsequently, the Ministry of Manpower drafted the Retirement Age (Amendment) Bill, introducing new legal provisions related to re-employment in 2012.⁴¹

Five years after the re-employment announcement at the 2007 National Day Rally, the Retirement and Re-employment Act was enacted in September 2012. The new law mandates that employers offer re-employment to workers who have reached the statutory retirement age of 62, extending up to the statutory re-employment age of 65.

⁴¹See <https://snef.org.sg/resources/tripartite-advisories-and-guidelines/>.

Adapting Re-employment to New Challenges: Raising Re-employment Age

According to Department of Statistics data,⁴² Singapore became an ageing society in 2000 and an aged society in 2019, the latter of which was alluded by Minister for Health, Ong Ye Kung in the Straits Times. By mid-2010s, demographic transition was accelerating, with the proportion of older workers expected to nearly double over the next decade as Singapore transitions to a super-aged society by 2030. Besides demographic challenges, there were “disruptions to global trade, to technology, to business models and to buying behaviour... as the world is becoming VUCA – volatile, uncertain, complex and ambiguous.”⁴³

A refresh of manpower policies was necessary to enhance re-employment opportunities for older workers. The introduction of a re-employment age of 65 in 2012 marked the first step, with the intention to further raise the re-employment age to 67 also announced that same year.

On 9 January 2017, The Retirement and Re-employment (Amendment) Bill 2016 was passed by Parliament and re-employment age was raised from 65 to 67. Besides raising the re-employment age, to increase labour market

flexibility, there was a new option to allow re-employment of eligible employees by another employer. Additionally, the Bill also removed the existing option of employers to cut wages of employees at age 60. This option was originally intended to help employers with seniority-based wage systems manage costs. Over the years, tripartite efforts had been successful in moving

“...we will continue to evolve the re-employment model and at the same time, make sure that our re-employment model in Singapore must be both pro-business and pro-worker. If we do not address the interests and concerns of businesses, we will eventually run out of jobs. But yet at the same time, if we do not take care of the interests of our workers, our people will eventually not be able to continue to pursue and live a ‘H2P2’ life.”⁴⁴

**Mr Lim Swee Say, Minister for Manpower
9 January 2017**

⁴²Source: <https://tablebuilder.singstat.gov.sg/table/TS/M810611>.

⁴³Heng Chee How, Second Reading Bill- Retirement and Re-employment (Amendment) Bill, 9 January 2017. He is also the NTUC Deputy Secretary-General and member of the Tripartite Committee, 2017.

⁴⁴Lim Swee Say, Second Reading Bill, Retirement and Re-employment (Amendment) Bill. 9 January 2017. He noted that seniors want to live a life that is “H2P2” - a Happy and Healthy, Productive and Purposeful life.

employers away from seniority-based wage systems. Hence, the Bill removed this option, in line with tripartite partners' agreement.⁴⁵

In 2016, the Committee on the Future Economy (CFE), chaired by DPM Heng Swee Keat, was established. The Committee's mandate was to formulate economic strategies that would prepare Singapore to navigate significant structural changes in the global economy. Its goal was to position Singapore for the future by creating a vibrant and resilient economy that ensures sustainable growth and generates value and opportunities for all.

The passing of the Retirement Bill in January 2017 occurred during a period of fundamental restructuring in Singapore, as the nation was implementing the CFE Industry Transformation Maps (ITMs). ITMs cover 23 sectors, accounting for almost 80% of the economy, affecting the labour market significantly. The first round of ITMs was launched between 2016 and 2018.⁴⁶ In his reading of the Bill, Mr Heng Chee How said "that improvements in this Bill are absolutely necessary but are not sufficient to maximise the working years of mature workers who would have to deal with this increasing flux."⁴⁷ He acknowledged that employers sought flexibility to fulfil their legal obligations while maintaining business competitiveness; and workers desired more legal assistance for employability security beyond age 65. Therefore, tripartism in action had seek a balanced and sustainable approach to achieve "flexi-security".⁴⁸

Tripartite partners – unions, employers and government, had to work together to redesign jobs and reskill older workers in the midst of economic restructuring and technology disruptions. Different industries and occupation types may present varying constraints for older workers, and tripartite partners had to explore investments in assistive technology and job redesign to help offset reduced physical capabilities.

Mr Koh Juan Kiat, Executive Director of the SNEF said: "SNEF urges employers to make early adjustments to their HR practices to further re-employ workers to age 67. Employers can tap on the age management, job redesign and work-life grants to adapt their workplaces and work arrangements to make jobs more suitable for their older employees."⁴⁹

To assist older workers in coping, Mr Heng Chee How advocated for more programs to help build workers' confidence in digital technologies which he described as "the new basic language in the world of work," such as working with robotics and using data smartly. On the other hand, recognizing that technological disruptions could fundamentally alter entire occupations and job categories, he expressed concern that older workers will face greater difficulties adapting to new roles, He asked: "what should we then do to help mature workers stay employed or be re-employable in this changed and changing environment?"⁵⁰ He suggested forming a new tripartite committee to explore ways to help older

^{45, 49} Key features of the Bill is summarized in Ministry of Manpower, Improving re-employment opportunities for older workers, 9 January 2017. <https://www.mom.gov.sg/newsroom/press-releases/2017/0109-improving-re-employment-opportunities-for-older-workers>.

⁴⁶ In 2016, the Committee on the Future Economy chaired by DPM Heng Swee Keat. The Committee is tasked to develop economic strategies to prepare Singapore to cope with significant structural changes in the global economy.

⁴⁷ Ibid.

⁴⁸ Ibid.

⁵⁰ Heng Chee How, Second Reading Bill- Retirement and Re-employment (Amendment) Bill, 9 January 2017.

people work longer. He highlighted the need to assess the effective retirement age⁵¹, or the age at which people declare themselves retired.

The Tripartite Workgroup on Older Workers was convened in May 2018 (TWG-OW 2018), chaired by Mr Aubeck Kam, Permanent Secretary, Ministry of Manpower. TWG-OW was tasked to employers and the ageing workforce for the future. TWG-OW will “review the longer-term relevance of and consider the next moves for the Retirement Age and Re-employment Age; examine the CPF contribution rates for older workers and their impact on retirement adequacy; and promote an inclusive workforce and progressive workplaces that value older workers.”⁵²

Compared to the earlier TriCom, the workgroup’s objectives were broader and more ambitious, aiming not just at addressing cost concerns but also at removing barriers that hinder older workers from fully participating. The focus was to ultimately foster progressive workplaces for all age groups. The recommendations were also more comprehensive and provide a roadmap for productive longevity till 2030. At the National Day Rally 2019, Prime Minister Lee announced that the Government accepted the Workgroup’s 22 recommendations in full.⁵³

In his reflection of his role, NTUC Deputy Secretary-General Mr Heng Chee How recalled: “we must simultaneously cater to: (a) finding resources for the longer lifespans (b) helping companies to retain experience and forestall a sharp drop in workforce (c) moderate the increase in demand for foreign manpower.”⁵⁴

In its review of the Employment Assistance Payment (EAP), TWG-OW 2018 found that EAP remains relevant and should only be offered as a last resort. A structured payment formula was introduced, retaining minimum and maximum limits but varied by workers’ age. A minimum EAP amount helps the low-wage workers as they may have greater difficulty seeking alternative employment and could be adversely affected if they are not reemployed. A maximum EAP amount is needed to mitigate the financial burden on employers and discourage employees from opting out of work. For workers aged between 62 and 64.5, the 2012 cap of \$10,000 was raised to \$13,000 in 2017; and the minimum amount was increased from \$4,500 to \$5,000. For workers aged 64.5 to 67 the minimum and maximum amounts were adjusted to \$3,500 and \$7,500, respectively from 1 July 2017.⁵⁵

⁵¹ Average Effective Retirement Age (AERA) offers an indication of the actual age at which people stop working, rather than the statutory age defined by retirement or pension legislation. AERA represents the average age at which individuals withdraw from the labour force within a given period. It is calculated by summing each age year, weighted by the proportion of total labour force withdrawals occurring at that age.

⁵² TWG-OW, Report of the Tripartite Workgroup on Older Workers, Strengthening Support for Older Workers, 1 August 2019.

⁵³ Tripartite Guidelines on the Re-employment of Older Employees, available at the SNEF website: <https://snef.org.sg/wp-content/uploads/2023/06/tripartite-guidelines-on-re-employment-of-older-employees.pdf>.

⁵⁴ Heng Chee How, email interview on 29 July 2024.

⁵⁵ Report of the Tripartite Workgroup on Older Workers, Strengthening Support for Older Workers, August 2019. Available at the SNEF website: <https://snef.org.sg/wp-content/uploads/2019/08/Report-of-the-Tripartite-Workgroup-on-Older-Workers-Strengthening-Support-for-Older-Workers-19-Aug-2019.pdf>.

TWG-OW 2018 observed that the 2012 re-employment legislation had yielded positive results for both workers and employers. Since the law's implementation, over 90% of eligible workers who wished to continue working after reaching age 62 had received re-employment offers, with the majority maintaining their basic wages. Given these outcomes, TWG-OW 2018 agreed that re-employment would remain a suitable model for Singapore.

However, considering the increasing healthy life expectancy of seniors and the higher educational and skill levels of older workers, TWG-OW 2018 recommended gradually raising both the retirement and re-employment ages by 3 years by 2030, to 65 and 70, respectively.

Consensus among the tripartite partners can be challenging and required significant negotiations. For example, the terms of reference for TWG-OW 2018 included addressing several sensitive issues, such as CPF contribution rates, which needed to be resolved in a way that satisfied both employers and employees. To improve retirement adequacy, TWG-OW 2018 recommended increasing CPF contribution rates. Employers were worried that increasing CPF contributions might affect cost competitiveness, especially since economic growth was slowing. In response, the Government committed to offer transitional support to employers through schemes designed to offset wage costs for older workers.

This demonstrates that tripartite partners were able to reach a successful outcome due to the underlying trust and goodwill established over the previous decades. Mr Heng Chee How recounted: “The ability to do [frank and constructive detailed negotiations] with the

common big picture in mind – finding a workable arrangement and timeline that makes sense and that allows each of the tripartite partners and older workers to be overall better off – depends on a key ingredient – trust among the tripartite partners built not on fiat but on the long and continuing track record of each side being able to stick to and deliver on a deal.”

Older workers generally supported the increase in the retirement age and re-employment age. They welcome the raising of both the statutory retirement age and re-employment age ceiling periodically. This is because they became more and more aware of their likely longevity. However, they expressed concerns about the implementation of these policies due to age discrimination. Older workers felt that they did not get equal opportunities for training and skills upgrading within their companies, affecting their chances of re-employment. To address this, NTUC worked closely with affiliated unions and unionised companies to effectively implement the RRA enhancements, while TAFEP worked to ensure fair outcomes for workers who raised grievances. Efforts were also made to create an age-friendly workforce by redesigning job roles to accommodate more older workers who can perform the job; and/or extend the age limits at which workers can do a job.

Ms. Cham Hui Fong highlighted the successful job redesign of baggage handlers as an example of how older workers can be meaningfully employed and contribute to a multigenerational workforce. For narrow-bodied aircraft, baggage handlers need to enter the aircraft to manually push out luggage. To accommodate older baggage handlers, a buddy system was implemented. As she explained, “In terms of teaming, we have to

ensure that older baggage handlers can work with younger ones, and the advantage is that older baggage handlers excel at troubleshooting.” While older baggage handlers might not be as physically fit as their younger counterparts, their experience enables them to be effective supervisors, leading to improved work outcomes.⁵⁶

For re-employment to work, as Mr Heng Chee How succinctly put it, “All these enablers [that ensure older workers remain gainfully employed] requires ‘two hands to clap’. On one hand, government and employers must do their part to put in place support schemes and resources to help older workers stay healthy and skills-fit for work. On the other hand, older workers must make the effort to help themselves seize training and health-building opportunities.”⁵⁷

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Mr Heng Chee How, NTUC Deputy Secretary-General, 27 July 2024

Keeping older workers engaged in the workforce requires a collective societal effort – from older workers themselves, employers, the government and the public. Ms Cham Hui Fong pointed out that older front-facing service workers still encounter discriminatory attitudes from the public despite ongoing efforts by the tripartite partners to combat age discrimination. She observed, “We notice that the public typically doesn’t quite like to be served by older workers... without understanding that they [older workers] actually want to be socially and economically active and to be less dependent.” Thus, while progress has been made to foster age-friendly workplaces, there is still much work to be done on the public’s perception of older workers.

On collective behaviour and societal behaviour, Mdm Yong Ying-I, Former Permanent Secretary of Ministry of Manpower and Chairman, CPF Board, reiterated the role of tripartism as the “national “guide-rails” provide direction about where the community should go together, and the signalling helps generate collective agreement and collective behaviour.”⁵⁸

In her commendation of TWG-OW on their collaborative effort by the tripartite partners, then Minister for Manpower Mrs Josephine Teo wrote: “It will take the joint efforts of the tripartite stakeholders to achieve the desired outcomes. Employers must invest in training older workers and the redesign of workplaces or

⁵⁶Cham Hui Fong, interview, 1 August 2024.

⁵⁷Heng Chee How, email interview, 29 July 2024.

⁵⁸Yong Ying-I, email interview, 27 July 2024.

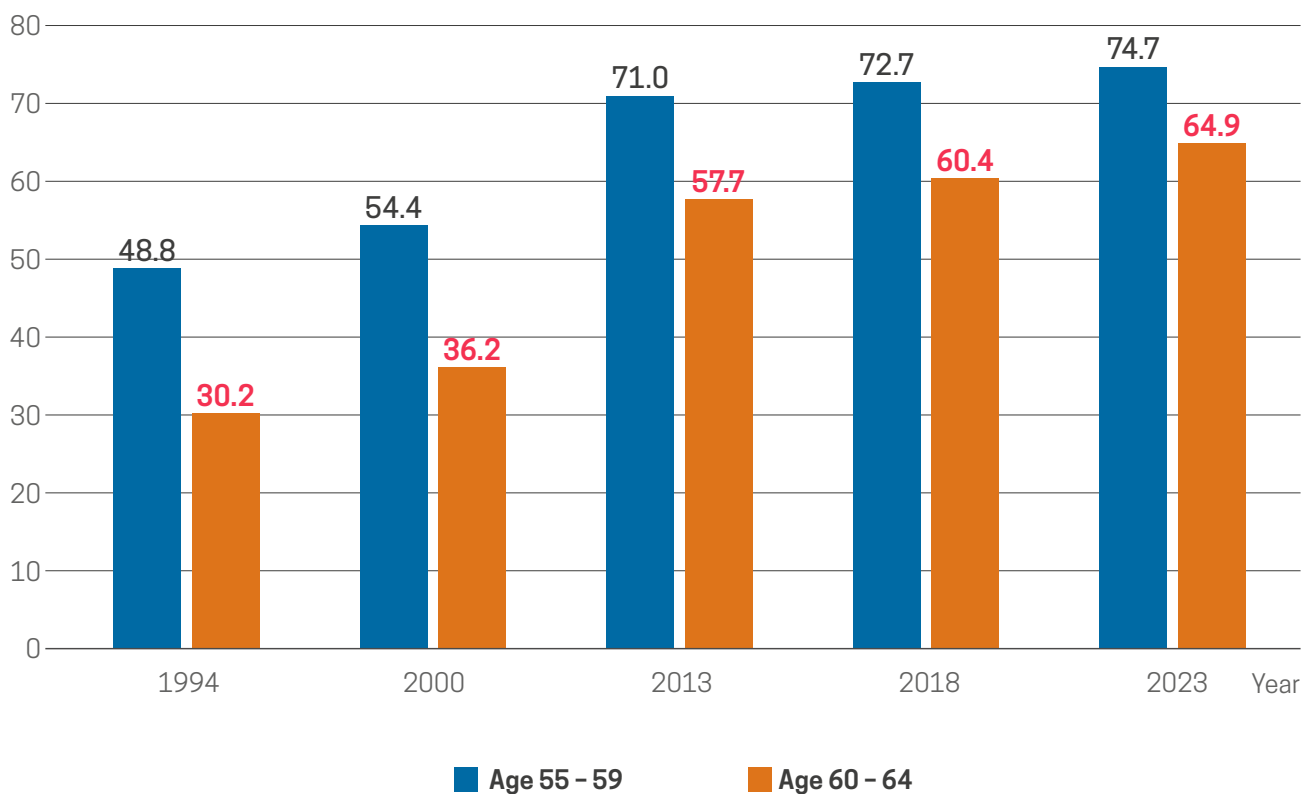
work processes. Workers must embrace new skills, adapt and be willing to take on new tasks and roles. Government must provide support to both employers and workers to make these necessary changes. I am aware that the Workgroup spent many hours debating the options and tradeoffs. In the end, you found ways to move forward together in the best interests of Singaporeans. That you were able to build consensus within a year is noteworthy and a testament of the strong tripartite relations that we have nurtured over the years.”

Over the past three decades, the tripartite partners have progressively and collaboratively worked to raise the retirement and re-employment ages, as well as to enhance employment opportunities

for older workers. These efforts have yielded significant results, with a notable increase in the employment rate of older workers.

Figure 3 shows that the senior employment rates a year after policy changes in retirement age and re-employment age. In 1993 retirement age legislated at age 60, the following year, the employment rate for older workers (aged 60 to 64) was about 30.2%. When the retirement age was raised from 60 and 62 in 1999, senior employment rate increases to 36.2% in 2000. When re-employment was legislated in 2012, mandating re-employment from 62 to 65, employment rate rose to 57.7% in 2013. Senior employment reached 60.4 in 2018 after re-employment age increases from 62 to 67 in 2017.

Figure 3: Employment Rate of Older Workers



Source: Ministry of Manpower, Comprehensive Labour Force Survey.

The Future of an Ageing Workforce

Amidst demographic transition and economic restructuring, tripartism will continue to play a crucial role in guiding policy implementation and adjustments as Singapore navigates the uncertainties of the global economy such as geopolitical and trade tensions, development of Artificial Intelligence and climate change. Former President of SNEF, Dr Robert Yap, highlighted in its Annual Report that tripartism operates in a “future economy... characterised by workforce demographic changes and technological disruptions.”⁵⁹

Chair of the Committee for Future Economy, DPM Heng Swee Keat, alerted that the process of industry transformation will significantly transform Singapore workforce. He stressed that strong tripartism is needed to provide sufficient upskilling and reskilling pathways for Singaporeans. But it is critical that the efforts of tripartism do not result in more rigidities and less flexibility. This will ensure that Singaporeans can take on high-skilled jobs that are aligned with the demands of the evolving economy and that good opportunities are available to all Singaporeans.⁶⁰

In light of a more senior employment landscape, when interviewed, Mr Lim Swee Say reiterated that, “to keep raising retirement and re-employment ages in a win-win manner, ... the

key is to keep redesigning the jobs of the seniors to be more ESS – easier, safer and smarter. This is so that as they (older workers) become physically weaker and slower, they can still do their jobs effectively, productively, and purposefully.”⁶¹ This will enable Singapore to benefit from the silver workforce while enabling older workers to thrive and contribute to the future economy.

As Singapore ages and the profiles of older adults evolve to be healthier and more educated, more will want to continue working in a multi-generational workforce. A survey of Students and Workers on Life Transition, conducted by NTUC in Feb – Mar 2023, revealed that 60% of the respondents indicate willingness to work beyond retirement age. Among them, 30% cited “maintain good health/active mind” as top reasons to stay in the workforce beyond retirement age; while 12% cited “finding meaning in work.”⁶² Anecdotally, there is a strong preference for phased retirement over abruptly stopping work. Many view work as a significant part of their lives and the sudden loss of work can affect both physical and mental health. It is expected that phased retirement will become a norm in the future.

Productive longevity sees more older adults wanting to do micro jobs. In its recommendation for older workers, the NTUC Workers' Compact

⁵⁹ Robert Yap, SNEF Annual Report 2016/2017.

⁶⁰ Ibid.

⁶¹ Lim Swee Say, email interview, 29 July 2024.

⁶² NTUC, Every Worker Matters Conversation, Our Workers' Compact, 29 September 2023, p. 7.

suggests not only ensuring fair employment and training opportunities in a multi-generational workforce but also creating platforms to curate micro jobs.⁶³ Moving forward, unions might work with tripartite partners to create senior-focused community-based job platforms to help match new job types within the community with older workers seeking micro jobs that best meet their income and lifestyle needs.

Over the past thirty years, tripartism has been a cornerstone of Singapore's labour market. This was not a result of chance but of deliberate, considered and purposeful effort, built on trust and social compact. Recognizing the challenges posed by an ageing workforce, tripartite leaders have carefully examined policy options and considerations and have adopted an open and flexible approach that allows employers and workers to negotiate mutually beneficial outcomes. This dedication is evident in the partners' iterations to create policy guidelines and strategies to support older workers.

Among new generations of leaders, including unions and employers, upholding these values of openness and trust is vital to maintaining the spirit of tripartism in addressing demographic challenges. Chairman of the Tripartite Alliance Limited, Mr Stephen Lee, suggested setting up of an alumni society to foster trust and sustain relationship among past, present and future tripartite leaders.⁶⁴

Looking ahead, tripartism must evolve and adapt to remain relevant, ensuring it continues to deliver win-win-win solutions as Singapore faces economic restructuring and an ageing workforce. Tripartism in Singapore must continue to be pro-active to support policies on senior employment and to foster a multigenerational workforce. Tripartite leaders need to further enhance and strengthen collaboration among workers and unions, employers, and the government to drive transformation, ensuring that everyone shares in the benefits of growth and development.

Singapore's low fertility rate could affect the macro economy and the labour market. Extending the working lives of older workers will only temporarily slow the workforce's decline. Therefore, innovative strategies must be developed to address the future challenges posed by an ageing and shrinking workforce. Tripartism will need to be activated again to tackle these challenges effectively.

⁶³Ibid, p. 70.

⁶⁴Stephen Lee, Tripartite Alliance, Annual Report 2017/2018.

Case Study on ComfortDelGro Corporation Limited

Contributed by Michael Goh, Group Chief Human Resource Officer

1. ComfortDelGro first extended the retirement age of our employees to 65 years in January 2012. This was done in support of the Government's call for employers to enhance the employability of older workers and ensure that workers can continue to provide for themselves in their old age. A year later, in January 2013, this was further raised to 67 years for all employees in the ComfortDelGro Group of companies in Singapore. This is on the back of positive feedback from employees as they look forward to keeping themselves active whilst being able to support themselves financially. The Group on the other hand, also sees value in continuing to tap on the experience, maturity and reliability of its older employees to strengthen its workforce capabilities.
2. While the policy states the official retirement age of 67, some employees do continue to work beyond that. Today we have 613 employees at age 67 and above, out of some 12,700 employees in Singapore. A small number of our employees are already above the age of 75, with the oldest employee at 78 years of age.
3. Employees who continue to work in the same job capacity generally retain same terms and conditions of employment, assuring them of their job and financial security. There are also some older employees who may want changes to their job scope, such as lighter responsibilities or flexi-work arrangements. We are mindful of the need for flexibility in our policies and arrangements to cater for different needs and will engage them to hear their concerns. This enables us to assess our ability to accommodate such requests, subject to business needs and exigencies, and adjust the contractual terms of employment accordingly to meet the needs of both parties.

ABOUT THE TRIPARTITE COLLECTIVE (TC)

Jointly set up by the tripartite partners, Ministry of Manpower (MOM), National Trades Union Congress (NTUC), and the Singapore National Employers Federation (SNEF), the Tripartite Collective (TC) aims to strengthen the spirit of tripartism in the community by fostering trust and socialising stakeholders to the values and benefits of tripartism. The TC will bring together members from the tripartite community, academic, legal and media communities to exchange views and ideas on issues faced by employees and employers. Through such exchanges, the TC seeks to build relationships and develop capabilities within the community to further the development of progressive workplaces. To achieve these outcomes, the TC will commission research studies, conduct open dialogues and sharing sessions, and organise capability development programmes.

Tripartite Collective

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