

**MAKING IT HAPPEN**

# Briefing

**Better  
Government  
FOR OLDER PEOPLE**

## **Employment and Work Opportunities for Older People**

**"We face fresh challenges. Longer lives are good news, but if people are to get the retirement income they want, they must be able to judge whether they need to save more, work longer, or both."**

The Rt Hon. Andrew Smith MP  
Secretary of State for Work and Pensions

**Better Government for Older People is about ensuring older people are engaged as citizens.**

**Citizenship however is a right for all, regardless of age, but age discrimination pervades much of existing social policy and hence practice!**

As of Feb / Apr 2003 there were 931,000 (8.9%) people over State Pension Age (SPA) (men 65yrs, women 60yrs) in employment. This has risen from 790,000 (7.8%) in Feb / Apr 1997.

Also worth noting is the improving employment rate for those aged between 50 and SPA. Since 1997 the employment rate has increased from 64% to 68%, with nearly 900,000 aged 50 and over in work. There are nearly 28 million people aged 16 and over in employment.

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## This briefing

- Outlines the Government's policy as set out in the consultation paper 'Simplicity, Security and Choice: Working and Saving for Retirement', issued December 2002. The consultation period has concluded and a report was published in June 2003.
- Outlines the overall employment scene from the Third Age Employment Network (TAEN)
- Demonstrates an example of best practice from the innovative approach of Experience Works!
- Outlines the activity of The Experience Corps, a government initiative currently working with 350,000 organisations at a local and national level to encourage people over 50 to offer their skills and experience to regenerate local communities.

The Department for Works and Pensions (DWP), Third Age Employment Network (TAEN), Experience Works! and The Experience Corps are all Alliance Partners with BGOP, allied together in demonstrating that older people have the right to active citizenship. All older people, regardless of dependency have the right to contribute to society's well being. The purpose of this Briefing is to show that 'well being' includes opportunities to maintain employment, re-train (learning) and engage to "...build a fairer and more inclusive society to which everyone contributes" (DWP Green Paper)

**Terry Gorman, BGOP Management Board Chair**

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## A guide to 'Simplicity, Security and Choice: Working and Saving for Retirement'

**DWP, December 2002**

### Strategic Aims:

- Building a fairer and more inclusive society to which everyone contributes.
- Income on retirement meets expectations so we can make the best out of our 'retirement'!

### The Proposal will:

- Help people make better informed choices about retirement.
- Reaffirm the role and responsibilities of employers.
- Encourage simple and flexible saving.
- Introduce measures to extend working lives.

### The Challenges:

- Longer life span = longer retirement = need to save more!
- Decline in pension provision by some employers.
- Existing complexity of financial (and service) advice, and exclusion of many from financial industry.
- Many people are leaving employment early.

The proposals seek to address these challenges and acknowledges that action is required to enable people to control and plan their work and savings, to meet their retirement expectations.

## Informed Choice for individuals

- Simpler framework to help people understand their choices.
- Equip individuals to understand financial choices and receive clear information tailored to their own circumstances.

## Pension Framework

- Introduction of a single tax regime with a life time limit on the amount of tax-privileged pension saving.

## Helping to Understand Financial Choices

- Improved financial literacy.
- Provide 'tailored' information based on an individual's circumstances.

- Increase the number of people receiving forecasts on their pension income.
- Improve the range of services provided to individual circumstance (e.g. integrated telephone service and website).

## Pensions and the Workplace

The proposals will reaffirm the role and responsibility of employers in the pensions partnership and encourage savings in the workplace by:

- Making pension provision easier for employers.
- Better protection for members.
- Sharing best practice.
- Using a good pension to retain and recruit staff.

# Extending Opportunities for Older Workers

## Is about

**The need to ensure Pensions and Employment policies work together therefore encouraging people to extend their working lives.**

## And

- Confronting Age Discrimination in employment.
- Consultation on proposals to allow individuals to continue working for the sponsoring employer whilst drawing their occupational pension and consulting on best practice to ensure that occupational pension's rules do not discourage flexible retirement.
- Public service schemes making an unreduced pension payable from 65 years rather than age 60, initially for new members.

There are no proposals to increase the State Pension age of 65 (women already set to increase from 60 to 65 between 2010 and 2020). A priority is to address the employment rates of those approaching 65, improve incentives for people to continue working past 65 and financial incentives for delayed retirement.

## Ensuring Progress

- Pension policy has to be for the long term.
- 'Maintaining' voluntary systems.
- Evaluating progress on pension / work proposals.
- Setting up a Pensions Commission to report to the Secretary of State on the voluntaries approach.

A follow up document to the December Green Paper, 'Simplicity, Security and Choice: Working and Saving for Retirement - 'Action on occupational pensions' was published in June 2003.

# Notes from the Employment Scene

by **Patrick Grattan, Chief Executive, Third Age Employment Network**

Any job of two days a week or more is recordable but “employment” figures of older people (above state pensions age) exclude all sorts of other informal work that people do at home or in the community or on a sole trading basis. It is unclear how many older people could reasonably be said to be working - including for BGOP.

Why are more people taking jobs? We at TAEN are often asked if it is because they need the money or because they want a meaningful role.

It is very likely that the notion to go on working after pension age is a mixture of financial and personal factors. Given how many have pensions that are below 25 per cent of the UK average earnings our suspicion is that they do not seek out extra income from part time work because they believe the employment market is closed to them\*\*.

Arguably one thing that would make a difference is a much more generous system for keeping the extra income from work, especially if it is ploughed into savings. Those who go on working get a small increase in their pension when they eventually take it.

The second dimension is the social and personal reasons for working: ASDA for example have implemented a range of ‘add ons’ (flexible packages and imaginative features) in their employment package. They recognise that employees and prospective employees will be juggling many aspects of life, and work decisions have to be taken in that context.

This juggling is particularly true of people 50 plus - balancing parenting and caring roles with employment.

Creating flexibility in terms and conditions offered by employers would certainly make a difference! Research on public sector employment demonstrates that flexible employment practice and Human Resource strategies, are as critical in maintaining people in work longer and in attracting older workers.

TAEN have entered into a partnership with BGOP, and other organisations, to explore the public sector as employers rather than providers or commissioners of services. This is a welcomed alliance that focuses upon workforce development from an all age perspective. Creating employment opportunities for older people requires addressing Regional and National economic differences and pension and employment policy must proceed together with the integration of all related policies.

\*\* DWP’s research “Working after State Pension Age” identified a range of different motivations behind older people continuing to work, such as household circumstances, maintaining living standards and job satisfaction. The report is available on the Government’s Age Positive website. [www.agepositive.gov.uk](http://www.agepositive.gov.uk)

# Creating Opportunities for People Over 45 Who Work and Want to Work

by **Elizabeth Farmer, Director, Experience Works!**

In the last three years, activity has been going on in the East Midlands, funded by the East Midlands Development Agency, looking at the issues and challenges of the ageing workforce.

We have developed and tested practical models at **Experience Works!** centres at Loughborough College, New College Nottingham and the Mature Connections Information Line in Greater Nottingham to:

- Advise and support people over 45 back to work.
- Provide new skills and career management support for mature people in work.
- Linking people over 50 to learning and work opportunities.

**Experience Works!** engaged with partners, employers, and other agencies and individuals to raise awareness of the ageing population and workforce, the potential of the mature workforce, the need for positive solutions, appropriate policies, procedures and training, and the advantages of involving mature people in the issues and the solutions.

BGOP's journal, Stratagem has published our achievements and **Experience Works!** is working nationally with BGOP. In the Department for Works and Pensions strategy there are plans to facilitate the adoption of an **Experience Works!** model.



## The Experience Works! Regional Roll Out

Between June 2002 and May 2004 we are in the process of ensuring the roll out to all counties of the East Midlands under an **emda** contract. Co-ordinators have been employed, each hosted by the local Learning and Skills Council and the necessary management administrative infra-structure has been put in place.

Working with employers, policy makers, key partners, influencers and funders, we are developing the Regional Strategy to address the particular needs of mature people in the context of economic development, skills shortages, recruitment and retention difficulties, and the challenge of extended working life.

**Experience Works!** sees the need to work in partnership and recognises that an alliance with Better Government for Older People is important in the development of strategies for an ageing population, which includes creating opportunities for older people over 45 who work and want to work!



# 'A Generation with Choice and Employment'

by Maggie Semple, Chief Executive, The Experience Corps

In your first 50 years you have acquired a whole range of valuable skills and experiences, through perhaps a career, raising a family or through a hobby or pastime that would help other people and organisations in our local and wider communities. **The Experience Corps** offers opportunities across England to use these skills and thus contribute to improved local service delivery, promote social cohesion and help bridge the gap between the most and least deprived areas in England. Over 60,000 members offer their skills locally allowing older people to develop their interests in new ways and thus make a difference to the quality of life in their communities.

Working with 350,000 organisations **The Experience Corps** at a local and national level, encourage people over 50 to offer their skills and experience. In partnership with organisations in the statutory, voluntary and private sectors, we aim to raise the profile of community participation in rural and urban areas; create awareness of its potential among those responsible for services and ensure that opportunities are open to all. We are particularly keen to increase the engagement of people with disabilities, and work with black and ethnic minority groups (especially African Caribbean communities).

Our alliance with Better Government for Older People is important to us in showing the contribution that older people can make to community regeneration and neighbourhood renewal. Volunteering makes a difference as BGOP's Older People's Advisory Group (OPAG) constantly demonstrates.



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