

UK – Demand for Working Beyond State Pension Age Set to Soar (2008)

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Source: Four Pillars Newsletter No 42, March 2008 - published by The Geneva Association. The demand for working beyond 65 looks set to increase markedly in the next 15 years, according to the research "Future Demand for Working among Older Workers" from the Chartered Institute of Personnel and Development (CIPD). Based on a survey of 1,000 workers aged between 50 and 64 years, it finds that just under two fifths (38 per cent) of individuals plan to carry on working beyond 65. Currently, only 11 per cent of the workforce work beyond State Pension age. Interestingly, among those who said they did not plan to work past 65, 31 per cent would change their mind if their employer allowed them to work flexibly. This change alone would result in a small majority of workers working beyond 65. Meanwhile a further fifth say that they would be tempted to carry on working past 65 if they were offered a deferred larger state pension. Men are more likely to plan to work beyond 65 than women, while finances are said to be the main driver behind these plans. This may reflect current concerns about individual finances and the economic outlook. Charles Cotton, CIPD reward adviser said "it is clear that Government policy could do more to encourage more older workers to stay on by extending the right to request flexible working beyond parents and careers and making pension arrangements more flexible. If the Government fails to do this, its target of having a million older workers in work will become a mere aspiration." The report also finds that employees are confused about the state of their finances and their pension arrangements in particular. Again, the CIPD argues that there is more for Government to do to improve this situation. Cotton argues, "The Government needs to support all the great work employers are doing to improve the financial awareness of their workers so that these individuals can reasonably plan for the future and make informed choices. Many employers are unaware of what they can and cannot do, so the government should clarify this as quickly as possible. In particular, the government should clear up the confusion around the taxation of employee assistance programmes which are predominantly used by employees who do not have the means to get legal or financial advice, and ensure that these remain tax exempt." The research was carried out in December 2007. For more information, contact the Chartered Institute of Personnel and Development, London, at www.cipd.co.uk.