

Maximizing Seasoned Employees' Contributions



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In the next several years employers will see a definitive upward shift in the age of available workers. The renowned baby boomers (born between 1946 and 1964), who were expected to leave the workforce starting in 2011, are reconsidering retiring at 65, and the pool of younger workers is predicted to shrink report the U.S. Bureau of Labor Statistics and AARP. Many older workers, because they need the money, want to be productive or useful, and want mental stimulation, plan to continue to work in positions that use their accumulated knowledge. Some see continuing in related fields; others envision entirely new positions that keep them learning and involved.

By 2010, the number of workers 55 and older will grow 4 percent, while workers between ages 25 and 54 will shrink 4 percent, predicts the U.S. Bureau of Labor Statistics in *The labor force: study growth and changing composition* by Howard N. Fullerton, Jr., and Mitra Toossi, www.bls.gov/emp/home.htm.

Apply for 2004 “AARP Best Employers for Workers Over 50”

AARP’s “Best Employers” award focuses on employers who are addressing the changing needs of workers as they age in the workplace. The program rewards innovative organizations of all sizes, budgets and types, offering policies and features that appeal to workers 50+, including flexible work options, training/learning opportunities, and age-neutral performance and appraisal systems. Visit www.aarp.org for information on eligibility, application and judging process. The deadline for applications is March 15, 2004. The AARP Best Employers for Workers over 50 will be announced in the fall followed by a dinner honoring the winners in New York City in September.

Staying Ahead of the Curve 2003: The AARP Working in Retirement Study explodes some of the myths your organization may be operating under. The nationwide telephone survey of 2,001 individuals between the ages of 50 and 70 years old employed on a full- or part-time basis found these individuals work not only for money but also for intangible benefits, such as enjoyment and a sense of purpose. For many (particularly baby boomers), juggling work and personal responsibilities is a pervasive feature of their lives.

Among other amenities, these workers want respect, training, benefits and job flexibility. Although optimistic about their own ability to find and retain a job, 67 percent have concerns that age discrimination remains a major barrier to their advancement and well-being in the workplace.

The AARP study reveals what changes may make your organization more appealing to older workers, a section of the workforce that will grow into 2050. The Executive Summary of the study (12-page pdf) or Full Report (150-page pdf) is available online at www.aarp.org/bestemployers.

We've adapted the questions that AARP poses to applicants for its annual *Best Employers for People Over 50* awards to help you assess where your organization stands as a "best employer" and how to make your workplace more enticing for workers over 50.

Recruitment

AARP finds that an organization's recruiting policies reflect its inclination to consider candidates of different age groups and backgrounds.

What variety of sources does your organization use to seek candidates for position openings:

- Newspapers?
- Internet?
- State or local employment agencies?
- Job fairs?
- Senior placement agencies?
- General placement agencies?
- Employee referrals?
- Retired employee referrals?
- Former employee referrals?

Do your organization's recruiting materials (print, video, artwork and graphics) fully reflect the diversity of the people you wish to recruit?

Workplace Culture

AARP's research suggests that workplace culture is important to older workers. Factors such as a friendly work environment, respect from boss and coworkers, and training opportunities are all considered to be essential parts of an ideal job. By answering the following questions, assess how your organization's culture stacks up.

- Does your organization have a formal mentoring program, where more experienced employees are teamed up with "junior" employees?
- Does your organization offer career counseling to your employees?
- Does your organization offer a tuition assistance program to your employees?
- Does your organization offer your employees formal training, on-site or off-site, that helps them keep their required competencies up to date?
- Do your managers and supervisors actively promote available training opportunities to all employees?
- Does your organization offer any of the following areas of training to managers and supervisors:
 - Policies and practices related to diversity?
 - Managing an age-diverse workforce?
 - Policies and practices on age-related employment law and discrimination?
 - Policies and practices on workplace accommodations for disabled employees?
 - Age-related health and mental health issues?
 - Managing the work-life concerns of staff?
 - Other training related to effectively managing older workers?
- How does your organization celebrate an employee's long-service anniversaries?
 - Announcement?
 - Publicity?
 - Parties?
 - Awards?
 - No celebration of longevity with nonprofit?
- Does your organization have an active task force, committee, or other formal process that addresses diversity?

- Does your diversity program include age-related issues?
- Within the past three years, have any of the task force or committee's recommendations resulted in improvements to policies or benefits, particularly improvements that may benefit older workers?
- Does your organization regularly conduct employee opinion surveys?
- Within the last three years, have any improvements have been made in policies or benefits based on the results from the employee opinion survey, particularly improvements that relate to an older workforce?

Continued Opportunities for Career Success

According to AARP's research, the majority of older workers believe that their best work years are ahead of them and feel that they still have a lot to accomplish, demonstrating that these workers value organizations that provide them with continued opportunities for career success. By answering the following questions, assess how your organization provides your employees with continued opportunities for career success.

- Are formal performance evaluations required for all or most of your organization's employees?
- Are the managers and supervisors trained in techniques for conducting formal performance evaluations?
- Are these formal performance evaluations reviewed or audited by the next level of management?
- Do employees have an opportunity to challenge any part of their formal performance evaluation?
- When the performance of managers and supervisors is evaluated, do these evaluations examine their performance in the following areas:
 - Managing work-life issues (e.g., flexible work arrangements, dependent care issues and resources, leave policies, etc.)?
 - Hiring practices?
 - Discipline or termination?
 - Giving rewards (compensation, awards)?
 - Providing opportunity (promotions, new assignments, training)?
 - Performance evaluations?
 - Valuing and promoting diversity, including age?
- Do managers and supervisors provide workers with opportunities or assignments that may help them gain new experiences or develop new skills (e.g., temporary assignments, new roles, team projects, cross training, etc.)?
- Does your organization have a formal procedure to handle employee grievances?
- Does your organization offer your employees workplace accommodations or job redesign due to disabilities?

Benefits

AARP's research indicates that the majority of older workers view benefits, such as health insurance coverage, retirement savings plans, adequate paid time off, flexible work schedules, and part-time work, as essential parts of their ideal job. By answering the following questions, assess the benefits your organization provides your employees.

Health

Which of the following does your organization offer:

- Individual Coverage?
- Employee plus Family Coverage?
- Plans with one overall premium for multiple benefits?
- Individual Health Insurance Coverage?
- Employee + Family Health Insurance Coverage?
- Individual Prescription Drug Coverage?
- Employee + Family Prescription Drug Coverage?
- Individual Vision Insurance Coverage?
- Employee + Family Vision Insurance Coverage?
- Individual Dental Insurance Coverage?
- Employee + Family Dental Insurance Coverage?
- Individual Long-Term Care Insurance Coverage?
- Employee + Family Long-Term Care Insurance Coverage?
- Short-Term Disability (not including Workman's Compensation Insurance)?
- Long-Term Disability (not including Workman's Compensation Insurance)?

Financial

Time Off

- Can employees donate available paid time (e.g., vacation, personal, sick leave, paid time off) to a “bank” which other employees can use for emergencies or extended absences?
- What provisions does your organization have to allow an employee time off to care for a dependent (child, adult and elder dependent):
 - No special provisions (employee draws from paid time off, vacation, personal, or sick leave)
 - Paid time off that is specifically designated for care of sick child, adult, or elder dependent
 - Draw from an employee leave bank to which other employees have donated their excess leave
 - Time off without pay (for short periods of time off as needed)
 - Leave of absence without pay (longer-term leave)
 - Other

Employee Assistance Program

- Does your organization offer an employee assistance program (EAP) to help employees cope in times of crisis with issues of health and mental health, stress, family tensions, etc.?
- Can family members of employees use your organization’s employee assistance program (EAP)?

Dependent Care

- Does your organization offer a dependent care consultation and referral service to assist employees with issues related to childcare and elder care, such as education, career development, managing change and preparing for the future?
- Can family members of employees use your organization’s dependent care consultation and referral service?

Financial Planning

- Does your organization offer financial planning information or training to your employees to help them manage their finances?
- Who provides this financial planning information or training to your employees:
 - Members of your staff?
 - Staff from the financial services firm that administers your 401(k) or pension plan?
 - External financial planning experts not affiliated with your 401(k) or pension plan?
 - Other?

Savings

- What type(s) of retirement plan(s) does your organization offer? Is it offered to full-time and/or part-time workers? Circle appropriate letters for each entry.

F PT Defined-benefit (except cash balance or other hybrid)?

F PT 401(k) or 403 (b) defined contribution (employees contribute funds; employers may or may not match)?

F PT Money-purchase defined contribution (fully employer-funded; employees do not contribute funds)?

F PT Cash-balance or other hybrid?

F PT Stock options, profit sharing or similar plan?

For each benefit offered to your organization’s part-time employees, what are the minimum hours per week an employee must work to be considered part-time and still qualify for the benefit?

Hrs._____ Defined-benefit (except cash balance or other hybrid)

Hrs._____ 401(k) or 403(b) defined contribution (employees contribute funds, employers may or may not match)

Hrs._____ Money-purchase defined contribution (entirely employer-funded; employees do not contribute funds)

Hrs. _____ Cash-balance or other hybrid

Hrs. _____ Stock options, profit sharing or similar plan

Alternative Work Arrangements

- Does your organization offer flextime, allowing employees to choose the start-stop times for the workday, within established limits?
- Does your organization offer a compressed work schedule, so employees can work more hours per day, but fewer days per week (i.e., four 10-hour days per week)?
- Does your organization offer part-time work?
- Does a full-time employee have an opportunity to move to part-time work on a permanent basis?
- Does a full-time employee have an opportunity to move to part-time work on a temporary basis?
- Does your organization offer job sharing, splitting one full-time job into two or more part-time jobs?
- Does your organization offer flextime or telecommuting, working at home or a satellite location on a regular basis?
- Does your organization equip and supply flextime or telecommuting employees?
- Does your organization offer training opportunities to flextime or telecommuting employees?
- Can your employees phase into retirement by working a reduced schedule for a period of time prior to full retirement?
- Are employees who take advantage of your phased retirement option(s) able to collect retirement benefits from your pension plan(s) or retirement savings plan(s) while in phased retirement?
 - No, employees may not collect retirement benefits until they are fully retired.
 - Yes, they are eligible to receive benefits that are lower than they would receive if they were fully retired.
 - Yes, they are eligible to collect the level of benefits that they would receive if they were fully retired.
 - Other/

Retirement

AARP's research indicates that the majority of today's older workers plan to work in their so-called retirement years. These findings suggest that these workers would value organizations that demonstrate commitment to their retirees* through such actions as providing them with work opportunities, benefits, and regular contact. [*Retirees are defined as former employees of your organization who are currently receiving payments from your organization's retirement plan and/or social security payments.] By answering the following questions, assess your organization's commitment to its retirees.

Make the Most of Your Seasoned Talent Pool

- Provide fair and adequate compensation.
- Consider flexible schedules, including letting staff set their own hours, offer the option of rotating part-time and full-time assignments, provide phased-in retirement, and allow time off for care-giver rolls.
- Capitalize on experience and talent while broadening skills and knowledge through new experiences.
- Provide age-neutral training regardless of job function.
- Offer enhanced benefits reflecting current and future lifestyle (i.e., long-term care insurance).
- Ensure age-neutral hiring, performance and evaluation systems.
- Inspire management values that support employee opinions and input.
- Provide retirement security (i.e., pension plans that allow for phased retirement without significant financial penalties).
- Recruit seasoned employees to serve as mentors for younger employees.

Retiree Relations

- Does your organization have staff with responsibility for retiree relations?
- Does your organization have a regular channel of communication with your retirees?
- Are retired employees invited back to regular organization events or celebrations?
- Does your organization offer retirement planning seminars or workshops?

- How does your organization formally acknowledge employees on the occasion of their retirement?
 - Announcement?
 - Publicity?
 - Parties?
 - Gifts?
 - Other?
 - My organization does not formally acknowledge employees on the occasion of their retirement.

Retiree Benefits

Does your organization provide:

- Individual Coverage
- Retiree + Spouse Coverage
- Plans with One Overall Premium for Multiple Benefits
- The services of an Employee Assistance Program (EAP)
- Individual long-term care insurance coverage
- Retiree + Spouse long-term care insurance coverage
- Individual health insurance coverage
- Retiree + Spouse health insurance coverage
- Individual prescription drug coverage
- Retiree + Spouse prescription drug coverage
- Individual dental insurance coverage
- Retiree + Spouse dental insurance coverage
- Individual vision insurance coverage
- Retiree + Spouse vision insurance coverage
- Individual life insurance or other death benefit
- Retiree + Spouse life insurance or other death benefit
- Other _____

Changes in Retiree Benefits

- As a retiree ages or after a certain period of time has elapsed, are any of the retiree benefits reduced or eliminated, or do the costs paid by a retiree increase?
- On an annual basis, does your organization increase the retirement income of former employees to compensate for increases in the cost of living?
 - The services of an Employee Assistance Program (EAP)
 - Individual long-term care insurance
 - Retiree + Spouse long-term care insurance
 - Individual health insurance coverage
 - Retiree + Spouse health insurance coverage
 - Individual prescription drug coverage
 - Retiree + Spouse prescription drug coverage
 - Individual dental insurance coverage
 - Retiree + Spouse dental insurance coverage
 - Individual vision insurance coverage
 - Retiree + Spouse vision insurance coverage
 - Individual life insurance or other death benefits
 - Retiree + Spouse life insurance or other death benefits
- Does your organization offer discounts on organization products to retirees?

Early Retirement Incentive

- Has your organization offered an early retirement incentive, or exit incentive program, within the last five years?

Work Opportunities

- Does your organization offer employment opportunities to your retirees?
- Does your organization maintain a contact list of retirees who are available for work assignments?
 - Temporary work assignments

- Consulting or contract work
- Telecommuting
- Part-time work
- Full-time work
- Other

Organization Statistics

For each of the identified categories, enter the number of employees in each of the specified age ranges who are employed by your organization.

Under 40 years old

40–49 years old

50–59 years old

60–64 years old

65 years and over

Total Employees

Hourly Nonmanagement	Salaried Nonmanagement	Management or Supervisory Executive	TOTAL EMPLOYEES
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(An executive is defined as a person in a top position of a strategic or functional area(s); functional responsibility overlays entire organization. This executive advises and counsels top decision-makers on organizational initiatives and represents a body of knowledge that substantially impacts and is essential to making sound decisions for the organization.)

How Enticing Is Your Organization to 50+ Workers?

Wise risk management practice recommends your organization begin making changes in policies and procedures now to accommodate the changing demographics of future job candidates or you may lose out to more worker-friendly environments as you look to fill critical positions in your organizations over the next decade and beyond. Your answers to the previous questions provide a foundation for planning to enhance your organization's current practices and phase in additional policies and procedures over the next six years. The beauty of the process is that these changes will make your workplace more attractive to employees of all ages, while making your organization competitive to mature workers who will make up more of the workforce until the mid-21st century.

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