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**REPORT ON**  
**PRE-RETIREMENT TRAINING POLICIES**  
**FOR THE**  
**DEPARTMENT OF EXTERNAL AFFAIRS**

**Prepared by**  
**R. Guy C. Smith**

**1973**

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REPORT ON PRE-RETIREMENT TRAINING POLICIES  
FOR THE DEPARTMENT OF EXTERNAL AFFAIRS

(WITH EXECUTIVE SUMMARY) "

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REPORT ON PRE-RETIREMENT TRAINING POLICIES  
FOR THE DEPARTMENT OF EXTERNAL AFFAIRS

Mr. R. Guy C. Smith, formerly Consul General in New York, was commissioned by the Department in September 1971 to study governmental and business practices regarding "preparation for retirement." The report delivered in February 1973 deals with a wide range of considerations under the following headings:

<u>Section</u>	<u>Title</u>
I	Introduction
II	What is being done now
III	The problems of preparation
IV	The responsibility
V	The extent of the problem
VI	Methods of dealing with the problem
VII	Conditions of employment
VIII	The Personnel Counselling Office and retirement procedures
<u>Appendix</u>	<u>Title</u>
A	Canadian Government Departments or Agencies
B	Canadian companies
C	Canadian counselling services available
D	List of other post-retirement organizations that may be of interest to retired persons
E	What is being done in Britain
F	What is being done in the USA - government and universities
G	- USA corporations
H	- USA, other
I	What is being done in other countries

## EXECUTIVE SUMMARY

### Section I - Introduction

The Terms of Reference required an examination of governmental and private industry action being taken to help employees into retirement after a lifetime in government or private service, with the purpose of recommending what steps the Department should take to improve existing procedures.

Such factors as the aging of the Canadian population, the post industrial society and the rapid expansion of the Department following WW II are outlined with the implication that retirement policies have not kept pace. Despite considerable attention and research having been devoted by society to retirement problems, implementation has been surprisingly slow in government and in industry. There is a discernable need for departmental policies to encompass the requirements of rotational and non-rotational officers and staff, specialists and non-specialists, Canada-based and locally engaged. Policies need to be adapted to the special nature of the Foreign Service.

The assumption is made that the maximum retirement age will remain 65 although trends towards earlier retirement as well as towards working beyond 65 are noted.

A further assumption is that Civil Service pensions together with severance pay provide a better financial package than the industrial average. Also, pay levels are deemed to be comparable with private industry and job security is an added factor making it difficult to substantiate a case for additional funds. Attention is, however, drawn to the forced retirements brought about by the retrenchment programs of 1969-70 with the point being made that morale and retirement planning policy are subverted when the rules are arbitrarily changed. "Any policy designed to encourage early planning for retirement rather than planning for early retirement must carry with it clearly defined conditions of tenure."

The report then reviews some of the literature on the subject of aging and on preparation for retirement with the suggestion that it is no longer a question of further studies and investigation but rather one of establishing appropriate principles and procedures.

Section II - What is being done now

The report describes the procedures then being followed in the Department when employees approach their 65th birthday or elect earlier retirement and comments:

"... it will be seen that by any standards they fail to give anything but the minimum of information and of help. Moreover, they are quite impersonal. After all, this is one of everyone's most important milestones and surely it is not necessary to use the impersonal circular letter on such an occasion. Nowhere are the actual annual figures shown from which the estimated pension is calculated, nowhere is there any reference to survivor benefits, an explanation of the different health benefits (which authority is responsible for what), no reference whatsoever to the option concerning the disposal of the severance pay - the meaning of a Registered Retirement Savings Plan - no reference to possible problems over a wife's Old Age Security if she had not established residence in Canada, no advice regarding the necessity of applying for the Old Age Security six months before age 65, or three months for the Canada Pension Plan, no reference to the benefits and options of the Unemployment Insurance Plan, no reference to the need to look into the tax implications if one decides to retire abroad, no concern that the severance pay will be paid on the date of retirement or warning that it may be a little late - if so, why and to whom to appeal if the 'little late' becomes 'a long time' - no reference to the conditions under which a person may or may not accept temporary or contract employment with the Federal Government, with or without effect on his pension, no reference to some of the benefits accruing to senior citizens by way of cheaper transportation and other concessions, no request if interested in receiving any Departmental bulletins, and no suggestion that there might be some need for the use of the retiree's skills and experience part-time."

Attention is drawn to the absence of procedures for the person retiring to be received by the Minister or by any Senior Officer as well as the absence of a letter of farewell except for administrative arrangements.

A survey of 70 retired persons elicited only 25 replies. The following quotation from the report cites the views of a senior FSO and others:

"Despite the system, my experience was that one had to exert considerable pressure to get what one was legally entitled to, and any feeling of a helpful organization assisting one to face the difficulties of separation from employment was completely absent. Everybody was kind, but pressure of work, over-reliance on computers, confusion between Departments concerned, and an awesome fear of Treasury Board without an indication of the Department having any responsibility to protect its staff, did not leave the pleasant impression which one would like to have had on termination of service."

The same officer added:

"My greatest difficult arose, however, from the most appalling confusion in accounts in Central Pay Office... Senior officers were personally kind... At lower levels there was little regard to ensuring easy retirement..."

A few indicated that procedures were generally satisfactory, but principally because they had served recently in Ottawa, and knew to whom to appeal for help. Another quote from a former employee:

"I am sure employees of long service would feel less rejected if they felt the Department had some consideration for them."

Also this:

"After 25 years' dedicated to External Affairs, one got the impression of 'good riddance'", and "I consider the staff in Superannuation, Medical, Pay Section, inadequate...they were far too busy to be able to spend much time in advising personnel", and "it took several months and quite a lot of correspondence to determine the amount of pension to enable me to decide if I could retire at 59 or 60", and "I made enquiries concerning my severance pay and found that no action had been taken - the clerk was on a 'French course'; two weeks later, I enquired again and found that the cheque had not been requisitioned. I was not informed about the Registered Retirement Savings Plans. I had to remind the clerk that I had to sign a form - he seemed simply unaware of the requirements. Finally, I still await proper settlement of my superannuation (nearly two years after retirement)."

The report then reviews the practices of OGD where some have group counselling courses, some offer extensive personal counselling and others have developed their own guidance books. The Treasury Board is said to have expressed concern about this disjointed approach.

A survey of retirement practices by Canadian companies, professional counselling services, unions, U.K., U.S.A., other countries, is summarized. These are also set forth at greater length in Appendices.

### Section III - The Problems of Preparation

Society has moved from one where few retired until wealth or health intervened to one where retirement is fixed at certain age limits. While different weights are assigned to the problems thereby caused, all authorities underscore the need for planning preparations for retirement well beforehand. When such planning should start is debatable, but private industry is increasingly introducing counselling systems somewhere along the line to provide full information on pensions/benefits, problems persons face, where help can be obtained, etc., but avoiding attempts to organize post-retirement life.

The Department should adopt such a program to start five years before retirement to cover the following topics: (a) Financial; (b) Health; (c) Where to retire--and in what sort of accommodation; (d) Use of leisure; and (e) Development of retirement philosophy. An office should be set up to manage these considerations, arrange retirements, provide assistance, and to encourage the continued participation of former employees in the affairs of Canada.

#### (a) Financial

The erosion of pensions through inflation which was then exceeding 2% could be overcome if they were fully indexed. Employees should be informed well beforehand of their financial entitlement not only to superannuation and Old Age Security payments (including spouse), but also to the Canada Pension Plan Supplement and UIC entitlement. Information should also be provided about the effect of subsequent employment, hospital plan deductions, income tax deductions, including ways of spreading the tax on severance pay, etc. Those living abroad may be unaware of available options and may not know about concessions offered "senior citizens" in Canada by rail/air lines, theatres, etc.

(b) Health

There should be a thorough medical examination before retirement.

(c) Where to Retire

The desirability of maintaining an effective relationship in a community after retirement may be difficult for rotational employees. "All that the Department can do is to warn that sunshine resorts or retirement heavens without the support of friends and familiar associations may turn out to be bitter disappointments that will take considerable funds to rectify, funds that may not be available."

(d) Use of Leisure

Dr. Wilder Penfield is quoted as drawing attention to the "...ever increasing company of men in Western countries between 60 and 90." The report suggests the Department should do more to encourage continued activity in such fields as

- (i) Historical Division
- (ii) Position papers
- (iii) Contributing views
- (iv) Attending institutional conferences
- (v) Employment with CESO, OXFAM, CIDA, UN, etc.
- (vi) Liaison with universities

Bernard shaw is quoted as saying: "A perpetual holiday is a good working definition of hell."

Section IV - The Responsibility

In determining how far and in what way the Department should prepare its employees for retirement, it is desirable to determine its responsibility as an employer. The report argues against the thesis that the employer has principal responsibility for ensuring the welfare of retired employees beyond the question of pensions. The public servant has no more claim on the public purse than other citizens. On the other hand, studies have shown that there are positive benefits to employers from retirement programs; it is good business.

With this established, the report proposes the Department's responsibility encompass:



- "(a) To ensure that during the working career of all of its employees, a sense of fair play and creditability of management is developed. (Senator Desmond's "Serenity of Spirit")
- (b) That demands on its employees are not such as to discourage the development of outside interests-- in the best interests of the Department. It should therefore encourage as far as practicable its employed to move in and out of the Department for reasonable cause.
- (c) That each employee is given adequate warning of the compulsory retirement date and advised to prepare for retirement, told how and where to seek advice if needed, given complete data of the financial assets that will be available on retirement - pension, severance pay, Old Age Security, Canada Pension Plan, Unemployment Insurance, medical coverage, etc. - well before the compulsory retirement date.
- (d) That the actual retirement procedures are efficient, complete and above all "human" - not coldly mechanical.
- (e) That after retirement, to keep track of its employees, provide for Departmental counselling if required, and make it clear that the ideas of former employees will be welcomed by the Department.
- (f) To use insofar as possible the experience, intelligence and interest of its former employees through contract or voluntary work in fields where their service has given them expertise and knowledge.

The adoption of some sort of programme to meet these several responsibilities is not accepting the responsibility for the employees' happiness or welfare in retirement, but it is pointing to the responsibility to warn, to show interest and compassion."

#### Section V - The Extent of the Problem

A graph and a chart are included to show, on the basis of the Department's 1972 establishment, that the number of those reaching age 65 grows fairly rapidly until 1987. The trend for rotational and for non-rotational employees is similar. There was insufficient data to calculate the effect of the new rules for voluntary retirement at age 55. LES figures were not included but it is suggested:

"That any recognition that retirement counselling and procedures need drastic overhaul should carry with it a recognition that the same solutions should also be applied and the policies adapted for the hundreds of loyal and efficient 'locally engaged' persons throughout the world."

Attention is called to such other trends as rapidly shrinking family size, top heavy population pyramids, and to new concepts of work and leisure with shortened work weeks.

#### Section VI - Methods of Dealing with the Problem

It is futile to try to deal with retirement problems with crash courses at the end. Evidence also shows that it is virtually impossible to expect employees to consider, much less plan for, retirement more than 5 years ahead. One accordingly needs to look at the whole work philosophy of the Department and at the procedures for handling people before retirement. Current effort in government and industry are largely devoted to some form of counselling -- group seminars, personal advice and or private professional services. Indirect methods include:

- (a) various forms of "sabbatical leave"
- (b) tapering off
- (c) post-retirement liaison
- (d) use of pensioners after retirement

#### Counselling

Many government departments use group counselling courses as pre-retirement preparation supplemented by documentation including booklets often prepared within the Department. Business firms in Canada and the USA largely prefer more complete personal counselling. The report contends that it would be a mistake to assume that the problem would be solved by setting up a Departmental "course". Personal counselling is the best approach. Perhaps Treasury Board could work with the provinces and universities to develop courses to train counsellors.

Some personal "retirement handbook" also seems desirable. Again Treasury Board or the PSC could develop one to avoid the Departmental duplication that now pertains. An outline of such a handbook is included--to be issued 5 years and 1 year before retirement.

### Sabbatical Leave

The current practice of assigning employees as university visitors, education leave, language courses, etc., could with benefit be broadened.

### Tapering Off

The abrupt change in activity and status on retirement is a problem. Some tapering off for those who want it might be beneficial by research assignments, reduced work load, or early retirement with a work contract.

### Post-retirement Liaison

Most large private corporations and some foreign services have established post-retirement organizations. Given the small number of Departmental pensioners this function might best be performed by a Retirement Office within the Department. It could:

- (a) maintain address records
- (b) provide communication
- (c) send bulletins, etc.
- (d) invite retired persons to attend certain functions
- (e) issue I.D. cards for entry to the Department or missions abroad

### Use of Pensioners after Retirement

A more extensive and imaginative use of Departmental people after retirement should be one of the principal components of any retirement program put into operation by the Department. This is developed in Section III (d).

### Section VII - Conditions of Employment

Departmental employees are subject to one year's probation, but this practice is both unsatisfactory and unrealistic for foreign service conditions. The year is usually spent in Ottawa under conditions making it difficult to judge the adaptability and suitability of the employee (and family) for service in the field.

The report recommends:

- (a) 5 year probationary period
- (b) it should be applied
- (c) there should also be provision for dismissal for good cause after probation

Public Service rules and regulations should not be applied uniformly to the foreign service. The Armed Forces have authority and mechanisms for dismissals. The State Department also follows a system different from other branches of the U.S. civil service.

Section VIII - The Personnel Counselling Office and Retirement Procedures

The report recommends the appointment of a Personnel Counselling Officer, preferably a retired senior officer who has not been associated with Personnel Division, assisted by a retired senior secretary, both under contract, to run a small retirement office. The duties are delineated in considerable detail.

Section IX - Conclusion

The principal recommendations are summarized. For ease of reference these have been tabulated in the following pages.

RECOMMENDATIONS

	<u>Reference</u>
1. A "Retirement Counselling Office" should be set up under a recently retired senior Foreign Service Officer, staffed by a retired senior grade secretary and provided with an attractive office at H.Q. for employees about to retire, or who have retired. Duties outlined on pages 1-2, Section VIII (a).	Section VIII Section III p. 10 Section IX p. 5
2. Retirement procedures should be drawn up to start five years prior to each employee reaching compulsory retirement age.	Section VIII (b) p. 3
3. The retirement procedures include recommendations made separately in the report, viz.,	Section III p. 3
(a) Start the retirement procedures five years back.	
(b) Full financial information re pension, OAS, C.P.P. income tax liability when resident and living abroad, etc. to be supplied at start of programme, i.e. 5 years back.	Section III p. 4-5
(c) To work with Treasury Board and other departments to draw up retirement handbook for all civil servants, containing each individual's financial information and other data of interest to a retired person. Suggested details for inclusion in this handbook contained in Section VI p. 9-11.	Section VI p. 7
(d) On retirement each employee to be given <u>thorough</u> medical check-up.	Section III p. 14
(e) To establish liaison with CIDA, CESO, etc. and universities to ensure they are aware of talent available in officers retiring from the service.	Section III p. 22
(f) To keep records of retired persons and endeavour to retain their interest in the Department and to equip each retired person with an ID card, giving him access to the L. B. Pearson Building.	Section VI p. 14
(g) Explain in detail position of pension when post-retirement employment is taken with any Federal Department.	Section III p. 9-10
4. That this direct preparation for retirement be supplemented by a long-range indirect preparation, aimed at increasing the interest in all employees in outside activities which might include:	Section III p. 3
(a) Sabbatical leave, not necessarily directly related to Department's work, but to include indepth language studies allied to specific studies of a country's economic, cultural or social norm.	Section VI p. 13

	<u>Reference</u>
(b) Tapering off towards end of career, of those officers looking for less responsibility, through assignment to research or development of projects, either full time or part time (after early retirement).	Section VI, p. 13-14
5. That terms of hiring be changed to include probationary period to five years, that this period be used effectively.	Section VII, p. 2
6. That conditions of service be altered so that if any employee consistently fails to produce adequately he be asked to resign.	Section VII p. 2
7. That the retirement programme be discussed with those other Departments having large numbers of employees serving abroad.	Section V, p. 2
8. That the programme be adapted for and applied to locally engaged employees throughout the world.	Section V, p. 2
9. That the Department should <u>not</u> set up "retirement courses" for its employees, but that it should cooperate with Treasury Board or P.S.C. in setting up courses to be available to all citizens at a fee and on own time - provided demand warrants such action.	Section VI p. 7
10. That the Department use the experience and abilities of its retired employees by:	Section III p. 19-22
(a) Encouraging retired employees to submit papers on ideas they may have developed.	p. 21
(b) Inviting participation in preparation of position papers where officer known to have acquired experience in particular field.	p. 21
(c) Encouraging officers to participate in institutional conferences dealing with foreign affairs.	p. 21
11. That Department should clearly define its responsibility towards its retired persons.	Section IV p. 5
12. That Department should vigorously support every move toward linking all pensions to cost of living index.	Section III p. 4

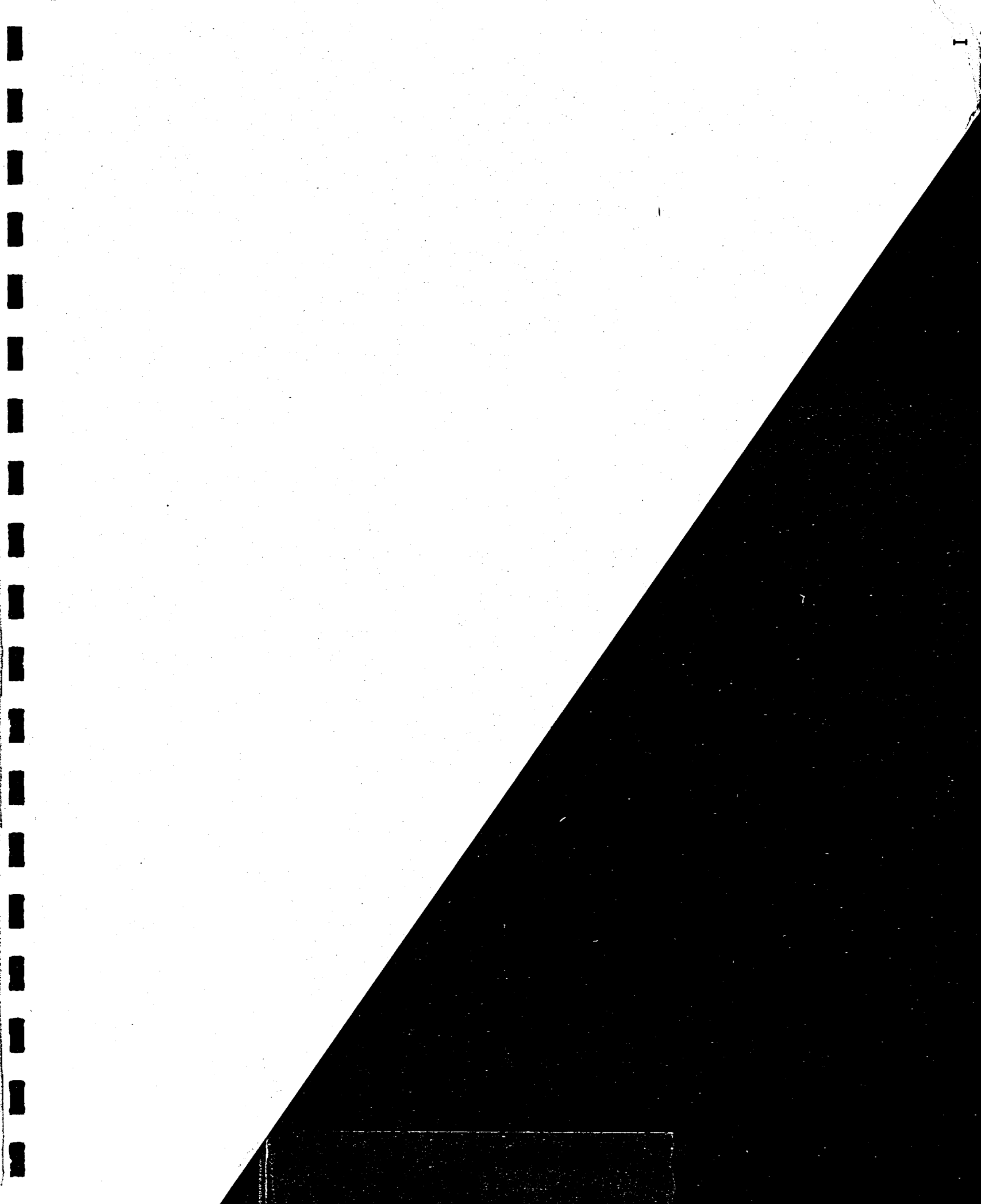
Reference

13. That the Department should take steps to have OAS regulations respecting all wives of employees amended to ensure that they are entitled to the OAS pension whenever their husbands are so entitled.

Section III  
p. 7-8

14. That the Department works out with DSS ways and means to ensure that first pension cheques are received on due date and that severance pay cheque delivered on actual date of retirement.

Section III  
p. 10-12





REPORT ON PRE-RETIREMENT TRAINING POLICIES  
FOR THE DEPARTMENT OF EXTERNAL AFFAIRS  
SECTION I                      -                      INTRODUCTION

The terms of reference that govern this report required an examination of Governmental and private industry actions that are being taken to help employees into retirement after a lifetime spent in Government or private service, with the purpose of recommending what steps the Department should take to improve on existing procedures. Presumably, the need for the report was based on the belief that current procedures are inadequate and in the realization that retirement poses very real problems that have been insufficiently recognized in the past. In Canada and many advanced nations, these problems are being more and more examined - under the pressures of rapidly developing and increasing technology, resulting in trends toward earlier retirement and a population more and more top heavy with people of 65 and over, most of whom by no means are ready for the scrap heap.

The Department of External Affairs may be said to have "taken off" after the last Great War, when it expanded rapidly from a tiny nucleus into a Department with people scattered over the globe and a relatively large organization in Ottawa. In terms of numbers, it has increased from 193 in 1939 to 3,213 in 1970. Before the war, the problems of retirement were hardly recognized. Certainly for this "new" Department, the numbers involved and their ages were such that there was no immediate problem; in any case, society itself was not yet seized with the problem. Since then, much thought and research by society as a whole has been devoted to problems faced by the growing numbers of people in the populations of most of the modern industrial nations who are forced into retirement because they have reached a statutory retirement age (generally 65). If much has been written on the subject, the use of procedures and techniques to deal with the problem seem to have been surprisingly slow in implementation. Possibly this is basically because of reluctance of management - whether Government or private - to become involved in what, after all, is a very private matter for each individual. Possibly also, it represents absence of pressures because of lack of organization by retired

people to bring about improvements. It is hardly because of lack of need for improvements, because sociologists and experts in the science of gerontology are able to document the need that has been neglected for too long.

Insofar as the Department of External Affairs is concerned, this need to care about or become involved in the preparation for retirement or in the fate of its retired persons, or even to help them to bridge the gap, seems to have been almost totally neglected. Possibly, again, this is because there is no real evidence that the retired members of the Foreign Service - from whatever Department - have found the transition to retirement to have been particularly difficult. There is, in fact, no record from which any firm conclusions on this point may be drawn. In deciding what, if any, action the Department should take, one must rely on suppositions, on trying to relate the ample body of evidence concerning the general problem, to the retired employees of the Department.

The question may be legitimately asked, whether the problems of retirement apply equally to rotational personnel, whether of External or of any other Department, as they do to other types of people in more static employment. Undoubtedly, the same problems do apply, but there will be different emphasis placed on each, because of the nomadic type of life and because of the constant change in type of job that is characteristic of a Department such as External. Moreover, in keeping with most Federal Civil Servants with a long service record (surely the majority of retirees in the Department), the Civil Service pension scheme does more to lighten the financial burden than do most non-Government schemes. Thus the problems of finance will turn more on management rather than on adequacy. On the other hand, "where to live in retirement" will be more of a problem. Possibly for many, the fall from positions of power and importance in the community will present a greater problem - the prestige factor. However, adjustment to new conditions in new environments may be easier at least for the rotational employees, simply because much of their life has been a training ground for just such an adjustment.

At the same time, there are many, some with specialist qualifications, who generally will not have been "rotational" whose problems and attitude will not be much different from those of any other Government Department or from those retiring from private industry.

In any case, Departmental policies must be adapted to encompass the needs of all types of its employees, rotational and non-rotational officers and staff, specialists and non-specialists - and let it not forget the locally employed in missions all over the world as well as Canadian based employees. The policies adopted must be tailored to fit the particular requirements of the Department and not simply follow some pattern adopted by another Department. Nevertheless, this is not to say that what others do, whether private industry or Government Departments, is irrelevant. Such actions based on experience give valuable keys to the options open to accomplish the objective, and there will be some "procedures" that should be common to all Civil Servants.

While there is undoubtedly considerable difference of opinion about the validity of having any compulsory maximum retirement age, it is certainly common practice within our society today; indeed, there is a perceptible trend toward retirement before 65. Despite the fact that it is certainly accepted by those who have studied the problems of "growing old", that it is fallacious to assume that older people cannot learn new skills and that "retirement on the basis of age alone is socially wasteful" (Retirement Handbook), for our immediate problem it has been assumed that a maximum retirement age for all Civil Servants will continue to be the rule and that the same age, 65, will apply to all External Affairs employees, rotational and non-rotational, (be it noted however, that in theory the British have no maximum retirement age for their Civil Servants; employees may be kept on indefinitely on an annual basis after minimum retirement age of 60 - see appendix E for further details).

I have also gone on the assumption that Civil Service pension arrangements coupled with the severance pay provide considerably better financial resources than those available to non-government employees, particularly now, with the built-in partial inflation factor. These pension benefits are augmented by Canada Pension Plan, Old Age Security and unemployment payments, plus the medical, hospital and surgical benefits. While these latter benefits are available to all Canadians, the job security benefits, the larger pension payments and severance pay available to Civil Servants are not.

This job security factor should not be regarded lightly. It is an immense benefit, particularly in times of unemployment. In the Senate Committee on Aging, Chapter 3, Professor John S. Morgan of the School of Social Work, University of Toronto, noted that continuous unemployment from age 45 on will result in "an unhappy, insecure and damaged person before he becomes 65". Also, the "National Employment Service" reported that "...repeated rejection on account of age will eventually lead to discouragement, frustration and loss of confidence, which will in turn affect the ability to make a good impression on the employer". Presumably, the N.E.S. could have added "...lead to frustration and inevitable insecurity and unhappiness in retirement". The Civil Servant and certainly the Department's employees are not faced with this anxiety, to anything like the same measure as those employed by private industry; this is an immense asset.

While my own discussions with private Canadian corporations, (Appendix B) bears out this assumption that the Civil Service pension plan is considerably better than most available to non-Civil Servants, (banks and insurance companies approach Civil Service pension levels), a more thorough-going review of the phenomena was contained in a recent U.S. Senate report on conditions in U.S. industry (and surely Canadian practices

follow very closely those of the United States). It said:  
"The overwhelming proportion of people retiring today received total income - from both public and private pensions - that was only 20-40% of their average earnings in the years before retirement".

In addition, at the present time, the Civil Servants and this of course applies to all members of the Department whether rotational or not, can be assumed to be paid at levels which are reasonably comparable to private industry and commerce. This is the accepted standard today; it was not always so, presumably on the grounds that one traded the possibility of higher monetary gain for job security - one might use the analogy of one who chose to put his savings into bonds (the Civil Servant) vs those who risked more to gain more by investing in common stocks (the non-Civil Servant). Moreover, officers in the Civil Service, and most certainly in External, were prepared to accept lower wages than they imagined they could have earned in private life because of the prestige and power they anticipated would eventually become theirs. But this increased level of wages available now to the Department's employees has not been offset by any serious diminution in job security, nor appreciably perhaps in the prestige/power factor.

In such circumstances, it is difficult to make a case for any outlay of funds by the Department, specifically designed to prepare people for retirement. That is to say, other than that required by steps or techniques normally associated with good personnel management that might normally or usually be encountered in most large private corporations, and that lead to better morale and better performance during the working career.

This is not to argue that preparation for retirement is not necessary, or even vital in a society with rapidly expanding technology and with trends towards earlier retirement from formal working "careers". This need is well documented and may be

summarized in a statement by Sister St. Michael of the Office on Aging, Branch of the Ontario Department of Social and Family Services, who is undoubtedly one of the foremost Canadian authorities on the subject and an internationally recognized expert. In a paper delivered to an annual meeting of the Gerontological Society at Houston, Texas in October 1971, she said:

In the technological world there is an increasing gap between life expectancy and job expectancy. We have a long term need for expanded research in order to formulate a new, relevant philosophy of work and leisure, to prepare the continuous education that will prepare us to live, not merely to earn a living; and to discover new meaningful roles for work-graduates in these days of expanded life expectancy. We have also an immediate need for an expansion of pre-retirement education....

There is probably little doubt that the retrenchment of 1969/1970 when some Civil Servants were compelled to retire before the age of 60 and 65, came as a traumatic shock and was responsible for shattering of morale. Certainly in External Affairs, this "dismissal" programme, superimposed on other factors, such as the openly expressed doubts of the value of the Service, did much to lower morale in all ranks. While the court case challenging the legality of the Government to dismiss or force into retirement any Civil Servant on the grounds of age (before 65) alone, has thrown the whole concept of compulsory early retirement into question, the important fact that should be considered is not just the legalistic approach but the effect on morale and relations between employees and management within the Department. Surely, what is important is that when a person is "signed on" by the Department he is made fully aware of the conditions of employment, and that in the future these conditions should not be arbitrarily changed at short notice as was the case in 1969. It matters not, or very little, whether or not such changes are within the legal right of the

Government - the courts will decide that. What matters from a morale point of view and also from a moral point of view is whether actions affecting the basic conditions of employment are changed suddenly and without compensation from long and established practice.

It is not much use the Department, or the Government for that matter, adopting a policy advocating the early planning for retirement, if the rules for employment and tenure are arbitrarily changed without previous notice so that its employees are forced into unexpected early retirement without time for preparation - as was the case in 1969. The accepted practice on which all employees were justified on basing their plans for retirement then was the right to continue employment until age 65. It follows therefore that any policy designed to encourage early planning for retirement (not planning for early retirement) must carry with it clearly defined conditions of tenure,\* which should not be subject to change without adequate financial remuneration.

This might be considered as a fundamental basis from which to start any planning for a programme of preparation for retirement.

It is difficult to know how wide-spread is deliberate counselling for retirement within the commercial life of Canada, but there is enough evidence to suggest that it is a "science" that is growing and in the near future will probably become an integral part of any sizeable organization that employs people, whether Government or private industry. The question, therefore, is not "whether or if" but "how and what".

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\*Note: It is not suggested that "tenure" should continue to be almost watertight as it had been up to 1969, when it was almost unknown for a Civil Servant to be "fired" except for embezzlement or traditional drunkenness and almost never for "inefficiency". It is not within the terms of reference to deal directly with terms of employment, but let it be said that, if employees of the Department were clearly to understand that continued inefficiency would expose them to dismissal - and not merely lack of promotion - the morale of the Service as a whole could be improved.

The National Industrial Conference Board in the United States has considered the problem for some years and in 1964 prepared a well documented survey of the "Preparation for Retirement Programs in the Private Sector of the U.S.". While this survey is somewhat out of date, the findings are interesting and today, it may be safely assumed that the trend has accelerated.

The study then, covered 974 companies and it was found that 65% had some sort of counselling programme. However, this percentage is misleading in the context of what our enquiry is about, since about half of these companies limited their counselling to an explanation of the company pension plan, Social Security and other post-retirement benefits - in other words, limited to the financial facet of retirement.

In any event, one is impressed by the vast amount of literature on the subject of aging or of retiring; by the considerable number of conferences, committees that have studied the problems, by the number of organizations that have been set up to deal with these problems by such conferences, etc., and finally by the fact that, for all their brave words, relatively little progress has been made despite the estimate that by the end of this century the numbers of people over 65 will exceed 10% of the population. It is true that financial resources available to retired people have been greatly improved, particularly in Canada by better pension plans, old age security, Canada Pension Plan, registered retirement savings plans, unemployment insurance, hospital and medical coverage, reduced travel costs and other benefits available to the "Over 65's", but people still wrestle with the intangible. How to make it possible for retired people to be and, what is perhaps even more important, to feel needed, useful and wanted?

Surely the problem is not one of more investigation, more commissions, for the problems are recognized and documented. Even solutions for dealing with the end result of the "system" are legion. What we must try to do here is to set up some sort



of principles and procedures particularly suited to the Department that will result in improved morale, through a more "personal" handling of people as they reach retirement coupled with the provision of factual data early enough to permit of and encourage advance planning.

It could be argued that with the establishment of unions, much of this sort of service and indeed of "protection" should be provided by the union through the bargaining process. I suggest that, while this method of union/management bargaining is clearly a "fact of life", that is now part and parcel of Government relations with its employees, because the Department will always have a large number of its employees on foreign service scattered all over the world in small units and because it is the image of Canada abroad, it is essential to create a spirit of willing co-operation between management and employees of all ranks - and, of course of the most willing, and visibly willing, service to the public. This can only be done if morale is good; morale will be good if all employees are convinced that the Department, not only the union, is concerned with their well-being at all times. This includes good policies and procedures for preparation for retirement and after retirement. Thus, while it is necessary to devise means of helping employees to "bridge the gap", in their own interest, it is also in the Department's interest to adopt policies that will improve morale at all levels.

There is a danger that Government, or Government Departments, may approach this problem of pre-retirement training in isolation, as something that can be dealt with successfully toward the end of one's career, by one method or another. This will lead to drawing up elaborate plans and programmes that will seem to give an adequate answer but which will have, in fact, but a passing effect on those for whom it is designed. It is unrealistic to expect people who have no outside interests, who indeed have not

developed the art of "contemplation", who have, in short, wrapped themselves around their work and careers, to suddenly change all this as a result of a "programme", however well that programme in isolation may have been developed.

This thought is not just idle speculation, for it is attested to by many who have contemplated the subject and who have had considerable experience in dealing with the problem. At a symposium set up by the National Industrial Conference Board in New York earlier this year, about 100 executives met to consider the problem from all angles. They were from industry, from the church, from universities, from educational establishments and from the press. Before embarking on any long-range policy decisions in this field, the article summarizing the symposium's discussions should be read and considered most carefully. The views expressed by the discussion leaders therein are supported by much of the literature on the subject that is available both in the United States and in Britain. Some quotes are particularly relevant:

1. The problem of the aged and those who are retiring is the problem of society. The initiative must come from those who want to benefit from it (education for those over 60). The idea that it is all going to come on a tray and be provided for people who are retired strikes me as dangerous nonsense. (James A. Perkins, President, International Council for Educational Development)
2. We control staff time....We can help people become accustomed to being exposed to new ideas often. If we freed time for...the pursuit of interests that happen to be...important to the individual, I suspect that we'd get back more than two or three times our investment....We can develop training resources...to continue education on an individualized basis right through to retirement. Preparation can't begin in the last few years before retirement. Men and women who are physically, intellectually, culturally, spiritually and possibly financially bankrupt after a lifetime of work-oriented, single-purpose living are unlikely candidates for a successful post-retirement resurgence. (Verne S. Atwater, President, Central Savings Bank, New York City)

3. ...help people to cultivate the uncultivated side of life - the capacity to celebrate and to contemplate without which any kind of retirement will simply be a kind of purgatory. (Harvey Cox, Professor of Divinity, Harvard University)
4. For far too many people, all acquaintance with subjects other than those they are using in their careers ends at 18 or at best 22... (Walter Perry, Vice-Chancellor, The Open University of Great Britain)
5. ...interesting if executives were to begin talking with local symphonies or museums about ways to package art education and programs that could be used by corporate employees. (Atwater)
6. I don't think it's enough at 65 to suddenly be given a paint-by-number box. (Charles R. DeCarlo, President, Sarah Lawrence College)
7. What my institution will do to help prepare people for retirement it is likely to do more by stealth and by accident than by direct intervention. I don't believe you can take people and sit them around the table and train them to retire happily. I think that what you can do is create the conditions in which people can be exposed to all the things they want to be exposed to at any time throughout life. (Perry)
8. Generalized pre-retirement programmes simply won't be productive...Unless we take the time etc.,...to deal with each person individually, it probably won't produce enough to make it worth the energy to start. (Atwater)
9. Fundamental to any successful retirement program is some sense of economic security, and some sense of a continuing tie with the corporation....We will have to adopt different attitudes towards employees when they are leaving and when they have left....the return, in terms of their willingness to provide a little extra service to the corporation will follow. (Atwater)
10. If people work for 30 years and have a life expectancy of another 30, we ought to structure ourselves to see what opportunities we may offer them while they are with us. (Reginald H. Holland, Chairman, Consultant on Science and the Humanities, the Conference Board)
11. We have said to all of our employees that if they'd like to take up to a year off to work for a social service agency anywhere in the world, they should make contact

with the agency of their choice and come back to us with an application. Applications will be screened anonymously by a committee of average employees whose decision will be final. They will select a limited group who will have up to a year off, at full pay and with full benefits, to do anything they want to do in what we most broadly define as a social service area, as long as it's legal and unconnected with partisan politics.

We are not thinking of them as preparing themselves to leave us; they are really preparing themselves to come back, because when they return from their work outside, they're bound to be more sensitive, more aware, more concerned, and certainly more knowledgeable about many of today's difficult social problems. (James M. Wainger, Vice President, Personnel and Organization, Xerox Corporation)

12. ...how to learn to contemplate, to do nothing, before then (i.e. 65). I don't believe that having oriented ourselves during the so-called productive years to an active, manipulative, result-oriented life, we can suddenly make a shattering transition. (Cox)
13. My association conducts seminars for executives approaching retirement. We think five years prior to it is about right. We take them off on a week's retreat. (Leland Hazard, Chairman, Executive Committee, Oliver Wendell Holmes Assoc.)
14. So I would say that one ought to examine one's concept of success quite carefully and should put a great deal of self into working with and for one's employees at all levels and for the public good.  
The decompression is something you have to think out in advance; otherwise you may find that you feel sorrier for yourself than you have any right to. (Dana L. Farnsworth, Director, Harvard University Health Center)
15. There is no point in kidding ourselves that a change into an unknown state is not to be feared....A problem which has been anticipated and thought about and talked about a great deal does cause less fear....I'd suggest that every company require every employee at a given age to present a well-thought-out series of alternatives - perhaps three or four - of what they plan to do with themselves after they retire.... it would be a good idea to have retired people come and talk to those who'll be retiring soon. (Perkins)
16. A minimal amount of institutionalization of concern will pay off in terms of good will. (Farnsworth)

17. When it's possible to continue somebody as a consultant, or put employees through various stages of gradual retirement, it's possible to avoid the sharp discontinuity of going from full-time employment to total retirement and it's much less of a blow, much less of an adjustment. (Walter Sullivan, Science Editor, New York Times)
18. The fact is that only a very small percentage of our total population is adequately provided for. A few are fortunate enough to be employed by corporations where there is an appropriate retirement plan, whereby they can look forward to retiring with dignity and the assurance of some reasonably comfortable life style. But an awful lot of people in our society have no such provision. (Fletcher L. Byrom, Chairman, Koppers Company Inc.)
19. I think we need to develop programs for tying growth in business and professional life to the educational domain. I believe that one of the major difficulties we face in the period ahead, dealing with questions of a lifetime of work is how usefully to employ the educational mechanism in the support of new societal programs. (William J. McGill, President, Columbia University)

The foregoing quotations deal with many facets of the problem, the need for tying in end-of-career programmes with a more philosophical attitude towards work, devise means of diversifying interests during the whole career (for the benefit of the employer as well as the employee), the need for preparation and so on.

This report deals with the responsibility of the Department, outlines in some detail the problem that it faces, the problems that retired persons face, the methods that have been found effective in dealing with these problems, and suggests certain concrete steps that the Department should take to improve matters.



(A) BY THE DEPARTMENT:

The following is a brief description of how the procedures operate within the Department when its employees reach retirement (or when an employee announces his decision to retire before reaching 65). In fact, this is the only action now being taken under what might be called "Preparation for Retirement":

1. Superannuation Section (APR) keeps lists of all employees approaching their 65th birthday, and some six months before that date alerts the pay section (APRE) and Personnel Operations (APO).
2. APO sends out a letter to the employee along the following lines about six months before retirement:

I have been informed that you will reach your 65th birthday on (date) so that, as provided in the Public Service Superannuation Act, you should now plan on retirement from the public service on that date. I am bringing this to your attention at this early date because it may take several months to complete the administrative processes relating to your retirement and you would not wish to have pension and other arrangements delayed.

Our Staff Relations and Compensation Division is now preparing the necessary forms, CT-400, T-1, and other documents and will be sending them to you soon. In this connection, we note that your home address is ..... You will undoubtedly be aware that all your vacation leave credits should be liquidated prior to your 65th birthday and I would suggest that it would not be too early now to discuss the question of your leave and of your last day on duty with (supervisor) and inform us in due course.

The USSEA will, of course, be informed of your impending retirement and will undoubtedly be writing to you at a date nearer to the event.

Signed Associate Director  
Personnel Operations Division

This letter may also include a paragraph:

We rely on you not to divulge any information of an official nature that may have come to your knowledge as a result of your employment in the Department. In this connection you are reminded that you continue to be bound by the terms of the Oath of Office and Secrecy.

3. In the case of early retirement, a letter is sent out by Staff Relations and Compensation Division (APR) advising of outstanding leave and giving the date of retirement. It does not mention severance pay at this time. It is only when the precise date of retirement is known that actual severance pay is given, though a rough estimate may be supplied before should the employee so request. The letter does give an approximate pension based on the average salary over six years' highest return which comes out at X dollars based on X number of years and X months' pensionable service. For details regarding deductions and forms refer to the letter attached (Step 4).
4. This is followed by circular letter from APR after obtaining the necessary salary information on which to base approximate pension calculation from APRE (copy attached). This circular asks the employee to complete the TD-1 (tax deduction return), and to sign the completed CT-400 form, in which has been entered the employee's deductions for medical, savings, or other previously authorized deductions.
5. At the same time, APR sends to Central Pay Division of the Department of Supply and Services the completed form DSS-2000 which is the Pensionable Service Record and states that "X" will retire on immediate annuity, effective (date of 65th birthday).
6. When the CT-400 and TD-1 forms are received back, APR advises the Superannuation Branch of the Department of Supply and Services that "X" will retire on immediate annuity on (date) and provides the signed forms.
7. Later, APR receives from the Superannuation Branch of the Department of Supply and Services the Benefit Authorization Form which states final salary, date of separation, number of years of service, average salary for the highest six years, amount of pension (annual and monthly), effective date of retirement, deductions and reasons for them, and amount of service after 31 December, 1965.



8. On receipt of these documents from External Affairs (DSS needs DSS-2000 about three months before the retirement date), Pay Division of the Department of Supply and Services makes out DSS Pay Form 2517, which then has to be audited before the last pay cheque is paid and the severance pay cheque is paid - both are sent to External Affairs for distribution to the employee.
9. From then on, Superannuation Branch of the Department of Supply and Services takes charge of distribution of the pension direct to the pensioner; the Department of Supply and Services will not divulge the address of the pensioner even to his own Department.

Somewhere during the processing, the retiree is informed of his severance pay, and near the departure date is asked to sign a form in which he elects to receive a lump sum or to put it into a Registered Retirement Savings plan of his choice (in which case the cheque for the severance pay is sent by the Department of Supply and Services direct to the manager of the plan).

There appears to be no established automatic procedure for the person retiring to be received by the Minister or any senior officer, although such appointments are probably arranged somewhere along the line. Also, presumably everyone does receive a letter of farewell from somebody before he retires.

The answers to the question whether the Minister or any senior officer had seen the outgoing employee to wish him well, etc., were far from satisfactory, and reinforce the feeling of unconcern. Thirteen of the replies reported that no senior officer had said good-bye and another who answered in the affirmative added "I finally saw an officer!" The negative replies included officer grades, clerks, stenographers and security guards.

DEPARTMENT OF EXTERNAL AFFAIRS



MINISTÈRE DES AFFAIRES EXTÉRIEURES

File 3-13-7-

OTTAWA

Dear

In connection with your retirement we have calculated an estimate of the pension you may expect to receive which will amount to approximately \$                      per annum. However, when you are eligible to apply for benefits under the Canada Pension Plan (age 65) there will be a slight reduction in your Public Service pension (the two plans are integrated) but when the two pensions are added together they will total slight more than the figure given above. The Superannuation Branch will notify you of the exact amount of your annuity about the time when it becomes payable. To apply for benefits under the Canada Pension Plan you should visit the District Office nearest to where you are living at that time. -

If you are a participant under the Supplementary Death Benefit Plan you may continue your coverage paying the same rate of premium as an employee. As you are aware both the benefit and the premium is reduced by 10% each year from age 61. No action is required on your part to continue this coverage. However, you may decrease your coverage to \$500.00 with a premium of .20¢ per month by writing a letter and sending it direct to the Superannuation Branch. Please note you are NOT eligible to make this election until thirty days after your pension becomes payable.

For pension purposes, please complete and return the attached form TD1 - Employee's Tax Deduction Return. Also for pension purposes we will require your permanent address. If you do not have a permanent address at this time please provide the address of a relative or friend. We will pass the address on to the Superannuation Branch. After this initial notification you will be expected to inform the Branch direct of any change in your address. Correspondence should always refer to your Superannuation file No.                      and should be addressed to

Superannuation Branch,  
Department of Supply and Services,  
Tunney's Pasture,  
Ottawa, Ontario.  
KLA OT9

If you have any questions about your pension cheques or deductions from them you should write to -

Central Pay Division,  
Department of Supply and Services,  
Turney's Pasture,  
Ottawa, Ontario.  
K1A 0T2

If you are going to reside in Ontario you may have premiums for Ontario Health Insurance (combined hospital and medicare) deducted from your pension by signing and returning the attached form CT400 on which we have entered the premium. If you are not going to reside in Ontario please delete it and initial the deletion. Wherever you are living you may have premiums for the Group Surgical-Medical Insurance deducted from your pension as shown on form CT400. Please note that if you are not going to live in Ontario it will be your responsibility to obtain health insurance coverage where you are going to reside. If you have any questions about your health insurance plans please see the Health Insurance Section, Staff Relations and Compensation Division, 3rd floor Copeland Building, 274 Albert Street, Ottawa.

Under-Secretary of State  
for External Affairs

Turning to the actual procedures, it will be seen that by any standards they fail to give anything but the minimum of information and of help. Moreover, they are quite impersonal. After all, this is one of everyone's most important milestones and surely it is not necessary to use the impersonal circular letter on such an occasion. Nowhere are the actual annual figures shown from which the estimated pension is calculated, nowhere is there any reference to survivor benefits, an explanation of the different health benefits (which authority is responsible for what), no reference whatsoever to the option concerning the disposal of the severance pay - the meaning of a Registered Retirement Savings Plan - no reference to possible problems over a wife's Old Age Security if she had not established residence in Canada, no advice regarding the necessity of applying for the Old Age Security six months before age 65, or three months for the Canada Pension Plan, no reference to the benefits and options of the Unemployment Insurance Plan, no reference to the need to look into the tax implications if one decides to retire abroad, no concern that the severance pay will be paid on the date of retirement or warning that it may be a little late - if so, why and to whom to appeal if the 'little late' becomes 'a long time' - no reference to the conditions under which a person may or may not accept temporary or contract employment with the Federal Government, with or without effect on his pension, no reference to some of the benefits accruing to senior citizens by way of cheaper transportation and other concessions, no request if interested in receiving any Departmental bulletins, and no suggestion that there might be some need for the use of the retiree's skills and experience part-time.

Finally, what information is given is put forward only six months before the actual date of retirement (far too short a time for any planning to take place), and then it is given in a most impersonal way, no word of acknowledgment for long service, well-spent, etc. - almost as if the Department is going out of its way

to prove that it is a highly efficient, mechanical machine, too modern, computerized and organized to allow sentiment to enter into this final act between employee and employer. Moreover, while the pension plan and the severance pay are generous by any standard, no attempt is made to point this out or to show how the resulting income should generally be adequate.

It may be said that many, if not all, of these data just referred to are available to all employees in the various pamphlets issued by the different agencies administering all the Federal "goodies" to which all Civil Servants are entitled. That is true, but does the Department want or expect each of its employees to become a self-appointed "barrack-room lawyer", well-versed in all the intricacies of these pension and other schemes? Surely, it is better that employees do not become overly concerned, confident that, when necessary, the experts in the Department may be relied upon to give them the necessary facts and to see them through the intricacies of moving into their new estate.

Based on what is being done by private industry and on what experts in gerontology tell us, these procedures clearly leave much to be desired. Moreover, the replies to the questionnaire, inconclusive in themselves though they may be, confirm that the present handling of the retirement process is inadequate.

Out of the 70 questionnaires sent out, only 25 replies were received. Of these 25 replies, only eight answered that the retirement practices were satisfactory. Only two of these, however, gave an unqualified approval and several, having announced "yes", then replied "no" to nearly all of the other questions!

Perhaps one quote from the reply of a senior Foreign Service Officer may underline the current situation and underscore the need for improvement in the process by the Department to help and advise those about to retire or who have retired:

Despite the system, my experience was that one had to exert considerable pressure to get what one was legally entitled to, and any feeling of a helpful organization assisting one to face the difficulties of separation from

employment was completely absent. Everybody was kind, but pressure of work, over-reliance on computers, confusion between Departments concerned, and an awesome fear of Treasury Board without an indication of the Department having any responsibility to protect its staff, did not leave the pleasant impression which one would like to have had on termination of service.

The same officer added:

My greatest difficulty arose however, from the most appalling confusion in accounts in Central Pay Office.... Senior officers were personally kind....At lower levels there was little regard to ensuring easy retirement...

A few indicated that procedures were generally satisfactory, but principally because they had served recently in Ottawa, and knew to whom to appeal for help. Another quote from a former employee:

I am sure employees of long service would feel less rejected if they felt the Department had some consideration for them.

Also this: "After 25 years' dedicated to External Affairs, one got the impression of 'good riddance'", and "I consider the staff in Superannuation, Medical, Pay Section, inadequate...they were far too busy to be able to spend much time in advising personnel", and "it took several months and quite a lot of correspondence to determine the amount of pension to enable me to decide if I could retire at 59 or 60", and "I made enquiries concerning my severance pay and found that no action had been taken - the clerk was on a 'French course'; two weeks later, I enquired again and found that the cheque had not been requisitioned. I was not informed about the Registered Retirement Savings Plans. I had to remind the clerk that I had to sign a form - he seemed simply unaware of the requirements. Finally, I still await proper settlement of my superannuation." (nearly two years after retirement)

In short, it seems clear beyond any doubt that the procedures are not satisfactory and most particularly, there is lacking a sense of Departmental concern for its former employees or for those about to retire. Once a person is retired, all connection

with the Department generally ceases abruptly and brutally; even his pension cheque is sent out by another Department. In effect, the Department washes its hands of its previous employees and does not even keep a record of their whereabouts. This is hardly good enough!

(B) BY CANADIAN GOVERNMENT DEPARTMENTS OR AGENCIES:

During the last two or three years, several Federal Departments or agencies have become interested in the problems of retirement, and some of them have started programmes. With the exception of the Marine Services Branch of the Department of Transport and National Defence, the direction that these programmes have taken has been in the form of group counselling courses given without charge to anyone nearing retirement who wished to attend. In all cases, such courses are held during the working day and for the most part, conducted by discussion leaders who have given their services without charge. The "pioneering" department in this field seems to have been Public Works, but Indian Affairs and Northern Development, The Post Office and Supply and Services have all worked up and expanded elaborate systems. These not only involve courses but a considerable amount of production of material, notably some form of personal booklet dealing with the problems of retirement and explaining in some detail the benefits accruing under the Superannuation Act and other Government schemes such as the Canada Pension Plan, Old Age Security, Medical Benefits. In addition, Marine Services Branch of the Department of Transport, while not offering courses, have developed their own guidance book and set up a form of personal counselling that evolves about their book. Statistics Canada has a much shortened course and National Defence, operating in close co-operation with Manpower and Immigration have a division that is directly concerned with the placement in civilian employment of officers and men who are retiring at a relatively young age. Through their Service Bulletins, they distribute articles on retirement and about help that

is available to them to prepare for their entry into civilian life. Manpower and Immigration have also prepared a detailed manuscript that goes into the pension benefits, etc., which apparently is much used by their training and personnel advisory officers.

LAND are sufficiently encouraged by the initial response in the Ottawa area that, this year, they are operating courses in Calgary, Regina and Edmonton and hope to start one in Toronto. For the same reason, DPW are increasing the number of courses in the Capitol region and expanding into Vancouver and Edmonton, and possibly into Montreal and Halifax.

From the foregoing summary it will be noted that several departments have been busy writing and publishing guide books - all excellent and well prepared, but surely, at an alarming duplication of effort. The idea of a personal retirement handbook, or "Passport to Future Happiness", so aptly described by DSS, is excellent and a practice followed by many private industry firms. The Treasury Board has expressed some concern over this disjointed approach. An extract from a report prepared by Mr. L. P. Wood of the Pensions and Insurance Division (TB) may be noted (his report is attached):

There is no doubt that large numbers of Canadians including public servants are retiring without adequate preparation for this change in their life. There seems to be general agreement that information in this area should be more readily available to persons approaching retirement; however a prime question is 'who should be responsible?'

The government's future programs for the aged should be fully reviewed before the Treasury Board attempts to coordinate and set guidelines in respect of the government's involvement (if any) as an employer.

It is my personal opinion that the Treasury Board must attend to this matter without delay if uncorrelated programs of every description are to be prevented from springing up (if maybe only temporarily) throughout the government.

The coordination of pre-retirement training programs would seem to naturally come under the responsibility of the Manpower Division of the Treasury Board.

After proposing a meeting to establish "policy", he includes the following two significant areas for study (among others):



N O V E M B E R 1 , 1 9 7 2

TIMETABLE - DAY'S EVENTS

8:45 - 9:15 a.m.	Informal - Coffee and Introductions
9:15 - 9:30 a.m.	Welcome and General Orientation to the Task at Hand
9:30 - 10:00 a.m.	Objectives for the Day and Plan of Action
10:00 - 11:30 a.m.	Sub-Group Clarification of "Issues"
11:30 - 12:00 p.m.	Consolidation of "Issues"
12:00 - 2:00 p.m.	Lunch - Evaluation and Preparation for Afternoon
2:00 - 2:30 p.m.	Deciding How to Proceed - How to Involve Others
2:30 - 4:00 p.m.	Dealing with some Issues
4:00 - 4:30 p.m.	Wind-up - Summary

Pre-Retirement Counselling Meeting

November 1, 1972

For your information. This is an early report on pre-retirement counselling service prepared by L.P. Wood.

George E. Roper

PERIOD FOR WHICH SERVICE WAS RENDERED COMMENCING ON 11/01/72 TO 11/01/72 AND TERMINATING ON 11/01/72	
REPORT NO.	2614-5
TITLE	PRE-RETIREMENT COUNSELLING MEETING
AUTHOR	L.P. WOOD
REVIEWER	GEORGE E. ROPER
DATE	11/01/72



## MEMORANDUM

## NOTE DE SERVICE

TO

H.D. Clark

FROM  
DE

L.P. Wood

SECURITY-CLASSIFICATION-DE SECURITE

OUR FILE - N/REFERENCE

YOUR FILE - V/REFERENCE

DATE July 11, 1972.

SUBJECT  
OBJET
Pre-Retirement and Post-Retirement Counselling Programs

The following is a preliminary report on the above subject based on ideas and information obtained through:

- a) Attendance at a three day workshop seminar held by the American Management Association in Chicago last month.
- b) Discussions with the Manpower Division of the Personnel Policy Branch of Treasury Board.
- c) Brief talks with key persons in many of the government departments already providing or contemplating these services for their employees.

The Chicago Seminar

The seminar in Chicago was attended by 20 persons from various organizations throughout the U.S. and Canada. In particular there were Canadian representatives from the Department of National Defence, the Post Office, the Treasury Board and the Canadian Broadcasting Corporation.

The two discussion leaders were older persons who had successfully established employer oriented counselling programs, were committed to the premise that employers had a definite responsibility to fully prepare their employees for retirement and, therefore, concentrated on how such programs should be run. Nevertheless, I was able to develop the following pros and cons of employers setting up their own programs:

Reasons why an employer should provide their employees with pre-retirement counselling

- a) They are morally responsible, especially for employees who have given long and faithful service.
- b) Large sums of money are spent on providing pension benefits and the extra expense needed to ensure that such benefits are effectively used, is relatively small.

- 2 -

- c) Younger employees would be impressed by such a demonstration of concern on the part of the employer for their older colleague's welfare.
- d) It will improve company public relations.
- e) The problems connected with implementing a flexible retirement age policy would be minimized.

Reasons why employers will not want to become involved in pre-retirement counselling programs requiring the establishment of planned instructional courses

- a) Pre-Retirement Counselling cannot be demonstrated to be a cost-effective measure.
- b) The state is identified with much of the complexity in to-days society especially in respect of the aged and as with other types of education the state should undertake the major responsibility in this area.
- c) Major demands for such services have not been made by large numbers of employees or their representatives and unilateral action by the employer would be contrary to established industrial relations procedure.
- d) There are much more pressing and immediate problems in need of attention; even in the area of personnel counselling.
- e) It is difficult to provide such services to all employees if they are dispersed throughout the country.
- f) Employer sponsored programs have experienced difficulty in involving the spouse of the employee.
- g) Many plans established by employers have withered by the wayside for lack of interest and dedication on the part of the person responsible for implementing the program. The best of plans obtain not more than a 60% participation of eligible employees.

The status of pre-retirement programs in the Federal Government

Several departments in the federal government have introduced programs of pre-retirement counselling and many others are in course of implementing or investigating them. The following is a listing of those involved.

- 1) Departments which have already introduced a series of courses are:

- 3 -

- 2) Departments which provide information to employces either in booklet form or otherwise are:
- a) Transport (Marine)
- 3) Departments which are implementing courses are:
- a) Transport (Air)  
 b) Supply and Services  
 c) Post Office (More than one group involved)  
 d) Energy, Mines & Resources (To use outside services)
- 4) Departments investigating the subject and those who have deferred a decision are:
- a) Manpower & Immigration  
 b) External Affairs  
 c) National Research Council  
 d) National Defence (At least two separate groups involved)

COMMENTS

There is no doubt that large numbers of Canadians including public servants are retiring without adequate preparation for this change in their life. There seems to be general agreement that information in this area should be more readily available to persons approaching retirement however a prime question is "who should be responsible?"

The government's future programs for the aged should be fully reviewed before the Treasury Board attempts to coordinate and set guidelines in respect of the government's involvement (if any) as an employer.

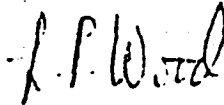
It is my personal opinion that the Treasury Board must attend to this matter without delay if uncorrelated programs of every description are to be prevented from springing up (if maybe only temporarily) throughout the government.

The coordination of pre-retirement training programs would seem to naturally come under the responsibility of the Manpower Division of the Treasury Board and I therefore propose that they should call an immediate meeting of senior executives from each interested government department to consider:

- 1) The extent of the need of and demand by public servants for pre-retirement counselling.
- 2) How these needs and demands are currently being met.

- 4 -

- 3) The likelihood of programs of education for retirement being sponsored and encouraged by the government for the benefit of all Canadians as opposed to just Public Servants.
- 4) Subject to (3) the degree of responsibility the government, as employer, should undertake.
- 5) The advantages and disadvantages of a uniform and/or coordinated approach by departments to the employer's responsibilities.
- 6) The role to be played by the Treasury Board.



L.P. Wood,  
Pensions and Insurance Division.

Meeting to be Held November 1, 1972

Pre-Retirement Counselling

"Issues" to be examined as a basis for preparing a policy statement

- (a) Need: What evidence do we have that a need exists?
- (b) Benefits: Who will benefit from the program - individual - department - community?
- (c) Responsibility: Who is responsible - individual - department - community?
- (d) Content: What should be covered in a pre-retirement counselling service?
- (e) Administration: What is the best way to administer a pre-retirement counselling service?
- (f) Resources: What resources should be provided on a central basis? What personnel are available to provide services? What use should be made of consultants?
- (g) Costs: What are the costs of pre-retirement counselling programs? Who should pay these costs?
- (h) Research: What studies are required at this time? What research information is available to guide the development of programs?
- (i) Voluntary - Involuntary: What is the nature of the employee's commitment to the program?
- (j) Union Liaison: At what point should unions be brought into the discussion? What is the role unions can play?
- (k) Post Retirement Counselling: How are pre and post retirement counselling related?
- (l) Training vs Counselling: How are the training and counselling approaches to preparation for retirement related?
- (m) Central Agency Responsibility: What are the central agency responsibilities in the area of pre-retirement counselling?
- (n) Personnel: What personnel is required for pre retirement counselling? Is the personnel resource available? How can this personnel resource be trained?

Point 1. The likelihood of programs of education for retirement being sponsored and encouraged by the government for the benefit of all Canadians as opposed to just Public Servants.

Point 2. Subject to 1 (above) the degree of responsibility the government, as employer, should undertake.

Point 3. He also suggests the need to consider the pros and cons of a uniform or co-ordinated approach by departments. Again, in this context, Mr. Wood is clearly relating "programmes" to "courses" and it is here that I believe our thinking must be broadened. Courses are only one method; clearly, if well done, of great value to those attending, but for one reason or another not necessarily the best method and certainly not the only one to be considered.

I will deal with these three cardinal considerations later in this report.

More detailed notes concerning what each Department is doing are tabulated in Appendix A.

(C) BY CANADIAN COMPANIES:

It is very difficult to obtain any sort of statistical summary of what "North American" companies are doing in this area of pre-retirement preparation or counselling. Surveys carried out by various organizations in the United States, such as the Conference Board for example, arrive at some statistical conclusions, but these are necessarily incomplete and may, in fact, be misleading. What is a programme? The best that one can do is to discuss the problem with a number of large companies and try to arrive at some sort of idea of what is going on, what are the attitudes.

In Appendices B and G, I have given some brief notes on company practices in both Canada and the United States that are a combination of the results of calls made, correspondence or information gleaned from newspapers or other articles. The details, such as they are, are given not so much as a study of any one company's practices, but rather to give an overall "feel" of the situation in the private sector. It will be observed that of the 28 Canadian companies, only four are now using the "course" method and a few have tried and abandoned



them for one reason or another. Most companies have personal counselling programmes of one sort or another, some backed by carefully prepared literature -note particularly Bell Canada, I.B.M., Domtar, Northern Electric, Swift Canadian. This counselling runs all the way from simple advice on pension benefits shortly before retirement and sometimes on demand only, to a more thorough and systemic calling in (voluntary but almost invariably accepted) of employees as much as five years before retirement when not only are the pension plans carefully explained but employees are urged to "plan" and advice is given, if requested, on how to go about it. In many cases, employees are given annual statements of their pension status.

In addition, note that nearly all companies make sure that all employees and former employees are made fully aware of their medical plan benefits, of their pension benefits and options, both from the company pension plan, Canada Pension Plan, Old Age Security, Unemployment Insurance. This is not done by providing printed information only, but is carefully covered by individual interviews.

It is interesting to observe that many retirement plans are based on a voluntary retirement age (usually referred to as "normal retirement age") that involves a minimum age and length of service and a compulsory retirement age. During the years between, an employee is entitled to retire without any actuarial reduction in his pension and the employer may retire an employee without cause (the difference between what appears to be general commercial practice and that of the Civil Service is that these conditions of service are clearly understood and accepted by both parties). In cases where a person is asked to retire early, i.e., before the compulsory maximum age, or sometimes even before the voluntary age, frequently - perhaps invariably - compensation of one form or another is granted.

It will also be noted that most of the companies have some method of keeping track of their retirees and encourage employees to seek help from the company after retirement. Many have organizations of former employees, and many have arrangements for regular annual visits or contact of some kind to each former employee - as well as asking

them to all company get-togethers. Some companies help with the costs of holding annual pensioners' gatherings even to the extent of paying transportation and over-night hotel accommodation.

If any conclusion can be drawn from these examples, it is that personal counselling is used widely but that courses are neither very common nor are they particularly popular among employees. Most companies make a particular point of seeing to it that employees are made fully aware of all their pension benefits and the options open to them. Also, companies find it to their advantage to take an interest in their employees after retirement and provide the means for them to keep contact.

(D) CANADIAN COUNSELLING SERVICES AVAILABLE:

In Appendix C, I have given a summary of some of the counselling services available for those wishing to attend "classes" on their own time for a fee, together with sources from which help in organizing courses may be drawn. This survey does not pretend to be complete by any means, but it covers at least some of the services available in Ottawa, Toronto and Montreal.

The main point to be noted here is that in recent years a demand for some sort of pre-retirement help has influenced the setting up of courses, particularly in Ottawa and Toronto. At the same time, very few commercial companies have taken advantage of the help made available to them to set up programmes. It also shows that considerable research has been undertaken on the subject of older people and on the question of retirement problems. In other words, there is already a lot of help available, literature, bibliographies, that will help any Department in setting up counselling programmes whether in the form of courses or of personal counselling.

(E) ADDITIONAL ORGANIZATIONS OF POSSIBLE INTEREST AFTER RETIREMENT:

In Appendix D, I have listed a few organizations that possibly might be of interest to persons after retirement - whether as a means of further employment in Canada or abroad on a voluntary or paid basis.

The list is not meant to be complete by any standard; it includes just a few organizations, mostly in Ontario and Quebec, that came to my notice during my enquiries. A very complete list of organizations in the Ottawa area is included in the list put together by the Department of Supply and Services.

Since many people retiring will not be aware of where to look for voluntary work, or for paid employment where their experience will be an asset, such a listing should be expanded and added to the material made available when people retire.

Insofar as organizations such as CIDA, CESO, OXFAM, United Services Committee, U.N. Agencies, are concerned, it is also important that the attitude of these organizations toward using people retired from the Department should be known and, together with the names of appropriate officers in each organization, passed along during the retirement process to the persons retiring. To this end, regular liaison should be established with such agencies and, if they so wish, names - with their curricula vitae - of persons retiring who express interest in service of this sort, should be supplied to each agency.

(F) BY LABOUR UNIONS:

So far, the unions in Canada have shown remarkably little interest in the question of pre-retirement training. The CLC reported that only the UAW has set up a separate section to deal with the question, and it has worked out with Chrysler in Canada and the University of Michigan a programme based on regular courses. Otherwise, the "locals" have not shown interest despite prodding by CLC headquarters in Toronto. Even there, I gather, pre-retirement training is not high on their list of priorities. The pressures in this regard are for longer holidays equated with length of service, and for earlier permissible retirement without loss of pension. These pressures are not yet matched by pressures for provision of training to enable members to use more profitably their increase in leisure time.

Nevertheless, I understand the unions at Alcan's operation in Arvida and Shawinigan have co-operated in the programmes being started through the CGEP's in those areas, and this active co-operation with community colleges elsewhere may herald growing interest. Some of the unions have negotiated leave of absence of up to eight weeks with INCO for members to attend the Labour College at Port Hope. However, that college has not been concerned with pre-retirement training.

Within the Civil Service, the PSAC are showing interest in what Departments and the Treasury Board are doing and may be expected to be more concerned in the future. PAFSO has shown no trend in this direction. Attempts to sound out CUPE met with no response. (A letter addressed to the Chairman of CUPE's Education Centre who is resident in Sudbury, went unanswered.)

In the United States, the situation seems to be about the same except that some "locals" there have started to show interest, but this interest may be aimed more at looking after their retired workers rather than in training before - reference International Association of Machinists and Aerospace Workers - that have already negotiated earlier retirement in some of their labour contracts and followed this by establishing "lodges" to provide interest and activities for their retired members.

(G) WHAT IS BEING DONE IN BRITAIN:

The British appear to have done a considerable amount in the field of preparation for retirement, although, as I did not visit the United Kingdom, I am not able to give any appraisal concerning the extent to which personal counselling or in-plant training is actually carried out in private industry. However, through correspondence, I have obtained some information on what is being done in the Civil Service and by various institutions in this field.

The Rev. W. E. Beveridge, Industrial Chaplain to the Bishop of London, who has been active in persuading companies to provide pre-retirement training and has done considerable research, has this to say about the situation in Britain:

A number of companies are now sponsoring courses in company time, at which doctors, financial advisers, psychologists, educationalists and so on, look at the situation which retired men will have to face. The quality of these courses varies; some take place too near to the retirement date to allow men a real opportunity to get their finances in better order or to prepare for new activities effectively before they actually retire. Some seem to consist of little more than a weekly series of lectures given by "experts" followed by a formal question period in which the same three or four more vocal members of the course ask questions while the others stay silent. Not enough seem to take place with groups small enough to allow a full and frank discussion involving everyone. Part of the problem for many course organizers is that the pre-retirement course is on a low financial priority. The company has to pay the same fee whether eight are in the group or 28; it is easier to book the lecture room once than on two or three occasions. So courses in fact tend to contain 28 more frequently than eight; I have known them to contain as many as 40.

The possibility of "planned retirement" is one that some companies have begun to explore.

In London, two companies at least have appointed retirement officers to advise employees on the problems of retirement and to maintain a link with their retired workers.

We do not yet know how effective pre-retirement courses really are in changing attitudes and initiating new patterns of behaviour.

In Chapter 12 of "Solving the Problems of Retirement", Miss Lorna Hubbard, the Secretary of the Pre-retirement Association gives a run down of the work being done by the various municipal and county authorities that are listed in that Association's literature. It would seem from this listing that many companies in Britain rely on these associations to provide the courses. In most cases, management gives time off without loss of pay and pays the per capita charges. Sometimes the courses are organized in-plant during the working day and sometimes in the evening. Some of these associations also run post-retirement craft or hobby courses and a few courses for personnel or welfare officers. As there are 26 of such organizations listed from right across England and Scotland, it would seem that pre-retirement training may be becoming generally accepted.

At the Conference Board seminar, the British Consul General did report that personal counselling was used by many of the larger firms in Britain. Whether or not personal counselling is general in the large corporations in Britain, it appears as if the use of courses outside the establishments, generally based on day-long sessions, is much more general there than is the case in the United States or Canada. Also, there are several residential courses available where the discussion among groups led by speakers is supplemented by the informal discussions held "out of school".

In Appendix E, there are some notes concerning what the Civil Service, various municipal and educational organizations and some companies are doing in Britain.

(H) BY THE UNITED STATES:

In Appendices F, G and H, there are some notes concerning what is being done in that country. In Government, the overall watch-dog seems to be "The White House Conference on Aging" which has a separate section on "Retirement Roles and Activities". This section in its 1971 Conference recommended increased responsibility of "society" for pre-retirement preparation, but also emphasized that the employer has a major responsibility for providing "programmes". In addition, it stressed that counselling should be provided locally "throughout the Nation" starting at least five years before retirement, and that there should be special courses for those nearing retirement.

In Government, the Civil Service Commission has established policy supporting pre-retirement training within the Departments of Government - a Bulletin announcing the policy is attached to the Appendix. In any event, most departments have "courses" and a few, including the State Department have a section exclusively devoted to looking after people about to retire and keeping track of those who have. A feature of their courses is that they are given for relatively large numbers, sometimes up to 300. The State Department usually deals with 200 each course. These are all given during the working day, and usually wives are encouraged to attend.

While it is impossible to show statistically the extent to which the recommendations of the "White House Conference on Aging" are being implemented by the business community, there can be little doubt that the idea of pre-retirement counselling and training is becoming more prominent in the United States - although not necessarily oriented towards "courses". The notes on what some firms are doing in the United States give some idea of what a small cross-section are doing.

The "Harvard Business Review" reported recently that current executive thinking is being increasingly disposed to accepting more responsibility by their corporations towards their employees. Also, a confidential study prepared for the Institute of Life Insurance showed that pre-retirement counselling headed the list in answering the question: "Which possible service do you think Life Insurance Companies should provide?" - the score was double the next in line: "investment advisory service".

There is no uniformity in their methods, but a reading of this Appendix will show how meticulous most firms are in seeing that their employees reaching retirement are supplied full details about their pension entitlement. In many cases, the information is repeated yearly as far back as five years, and put forward in the greatest detail. In all of the firms where a description of the programme is given, the emphasis is on personal counselling. In considering these notes, one must remember that what is described in general terms and in detail in some of the supporting documents is a description of company policy on paper - and probably in general intent. However, the practice in many cases falls short of this "ideal". The success or failure of any programme rests largely with the personnel people or supervisors in administering them, and several companies admitted that frequently performance falls short of stipulated policy. Nevertheless, some of the documents prepared for the execution of that policy are of particular interest; they do provide most useful ideas to anyone setting up a really meaningful programme, and should be used accordingly.

- It will be clear that there is no agreement on the effectiveness of in-plant group counselling. The final paragraph of this section lists the companies and unions for which the University of Michigan has set up such courses. Most of these are large international corporations which presumably believe that these courses are justified from results. I have no information concerning the extent to which these corporations combine personal counselling with the courses.

In the United States, the universities have done much research on the question and several, notably Michigan, Chicago and Drake, have developed "courses" and techniques that are being used within their own organizations and for private industry and the labour unions. Some notes on their activities are also included in Appendix F.

Apart from research and encouragement given by Government and the universities, there are many private organizations in the United States designed to help people bridge the gap into retirement and to provide help and support following retirement. Some of these are directly related to management - The National Industrial Conference Board - some to retired Federal employees, including the Diplomatic and Consular Officers Retired, Inc. (DACOR), and the National Association of Retired Federal Employees, some to retired people from all walks of life and some strictly commercial organizations operating for profit. Some of these are discussed briefly in Appendix H.

(I) BY OTHER COUNTRIES:

There are a few brief and most incomplete notes on what is being done in other countries included in Appendix J.





There is a growing recognition that when people are required to retire they do not automatically find the experience easy and enjoyable. Many are said to dread the day and find that enforced leisure "hangs heavy" and leads to acute depression, unhappiness and sometimes even to early death. As society has moved from one in which few retired until wealth or ill health intervened, to one with the generally accepted principle of compulsory retirement at a certain age, the subject has engaged the attention of all sorts of sociologists and experts in the science of gerontology and geriatrics. There is much literature on the subject and in some countries, including Britain and the United States and to a lesser extent in Canada, a growing number of organizations, universities, municipal, governmental, service, have sections devoted to helping retired people or those about to retire. While authorities give different weight to each of the problems, most agree to the general difficulties that retired people face, and all underscore the need for planned preparations for retirement well before the inevitable date. Moreover, all stress the fact that, if properly handled, retirement can mean the start of a new career that may be, perhaps should be, unrelated to one's previous activities. But, being divorced from the pressures of competition, perhaps even from "making a living", this third and final career should be one of great satisfaction - but it should be planned in advance, the further back the better, if it is to provide the happiness and satisfaction to which a lifetime of "work" entitles one.

How far back this planning should start is subject to debate, but it is the factor that should govern the time when "management" starts to alert its employees to the problems they must inevitably face when they reach the compulsory retirement age. There is no uniform practice in private industry in Canada and the United States, but the previous section shows that more and more of the larger corporations are introducing planned retirement counselling systems somewhere along the line. This counselling consists principally of providing full information on company pensions and other financial assets, drawing attention to

the problems that a person will face, sounding warnings and giving advice concerning where help may be obtained in solving the problems. Out of respect to the individual's privacy, managements sheer away from attempting to advise an employee concerning what he should do or how he should actually organize his post-retirement life, and this principle should be adopted by the Department.

In any case, it is generally recognized that thinking about and planning for retirement should start well before the actual date. Ideally, preparation for retirement should start from a very early stage in one's career, but what is ideal and what is practical is probably very different. One authority says bluntly that the time to start a counselling programme is five years before mandatory retirement - if the employee is approached too young he will fail to see the importance, if too late, he hasn't enough time to consider all the problems and digest the information on how to deal with them.

Knuston Hall, Residential Centre for Adult Education of Northhamptonshire County Council, England, summarized the problem: "...the age at which people should be thinking about retirement is of academic interest, really - what is important is the age at which they DO think about it". Their experience shows, and this is borne out by much of the literature on the subject, that that age frequently is after retirement.

Again, Dr. Cosgrave, when Counsellor for the Toronto YMCA Services used by people over 60 says: "We hoped for people of 50 or 55, but you cannot interest them (in retirement planning or preparation) at the time they should be interested". In his view, the answer lies in more personal counselling and suggests that "industry" should take this on.

The Ontario Government in 1958 set up a long-term research programme (for 20 years) on the "Study of Aging". So far, it has been noted that by the mid-50's the participants (2000 male volunteers who started in their mid-40's in 1958) "evidenced a more positive attitude toward retirement than they had in their 40's".

Several large companies in the United States and in Canada may be said to start some sort of programme almost at the time of employment by annually sending each employee a statement of his pension benefits. Subsequently this factual data is reinforced by regular and more complete counselling as he approaches the compulsory retirement age.

On balance, the main thrust of any programme undertaken by the Department would seem best directed toward the five year mark. However, this is not to say that Departmental policies aimed at interesting its employees in outside and varied pursuits during their working careers should not be considered. On the contrary, this sort of indirect preparation for retirement should be considered as an integral part of the project and also as of indirect benefit to the Department and to the country as a whole. (see Section VI)

The sort of problems that are generally recognized as needing counselling and advance planning can be summarized under the following headings: (a) Financial, (b) Health, (c) Where to Retire - and in what sort of Accommodation, (d) Use of Leisure, and (e) Development of Retirement Philosophy.

(a) FINANCIAL

There is little doubt that satisfactory financial resources are the most important factor from the solution of which most of the other problems can be based. Most of the authorities writing about retirement problems stress the importance of financial planning and suggest ways and means of going about it before retirement, stressing the need to recognize a reduced income that, however, is offset by reduced expenditures and obligations requiring the out-flow of funds. However, it is questionable if adequate financial resources is the primary problem faced by most of the people retiring from the Public Service of Canada. The Civil Service pension arrangements providing for maximum pension of 70% is reinforced by the Canada Pension Plan, Unemployment Insurance, the Old Age Security payments, virtually free medical and hospital benefits. In addition, there is a substantial

severance pay that is equalled by few private corporation plans, except that some large corporations do have voluntary contributory profit sharing plans that might be considered as off-setting this lump sum benefit for those who elect to set it up.

Possibly the major "worry" of pensioners or those about to plan their "budget" for retirement lies in the erosion of the value of pensions through inflation. This has been partially overcome by the recent annual ~~2%~~ cost of living increase. However, this is only partial and with the cost of living increasing at a rate considerably above 2%, the Department, as a first priority in helping its people enjoy their retirement, should try to remove this worry by supporting fully and forcibly the principle that pensions should be subject to annual increases equal to the full increase in the cost of living. (It is recognized that, under present arrangements, this logically is a subject for bargaining by the Civil Service Unions with the Treasury Board. Also, since the principle has been applied to the Old Age Security payments, hopefully it will come to be applied to Civil Service Pensions as well as to all pensions in the private sector. However, the Department, as an employer, should show concern and interest in its retired employees and should do all possible to ensure that their pensions are not eroded by inflation.)

4.

Generally, one may conclude that for nearly all of External's employees with any sort of long service record (the great majority), financial considerations need not pose insuperable problems, but that, until the inflation factor is eliminated, that will be worrying.

However, the Department has an obligation to provide full financial information to each prospective retiree. This should be best discharged by informing each employee five years before retirement of the approximate amount of pension he will receive at compulsory retirement date based on his current salary and record of service at age 65. This should show how the amount has been calculated; in this way, an employee should be encouraged to make his own calculations from there on in. In addition, the employee should be told the amount

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6

of Old Age Security payments he can expect for both himself and his wife and the approximate amount of the Canada Pension Plan Supplement (this latter necessarily in general terms as the calculation is complicated). Moreover, he should be told of the effect of the CPP on his Government pension, what happens to his CPP payments if he takes gainful employment after retiring at 65. Also, the entitlement under the Unemployment Insurance Act must be explained and its relationship to the CPP. He must also be told the amount of his severance pay to be received at retirement age and how this is calculated. In addition, this information should be supplemented by references to any built-in cost of living increases to any of the payments. He should also be warned that these payments will be subject to income tax and medical/hospital plan deductions so that in estimating his assets at retirement he should take expert advice concerning the income tax deductions. What is also needed, however, perhaps more for the rotational employees (who cannot be expected to be au fait with Canadian tax gyrations - who can? - even the experts seem defeated) than for those in more static employment in the Civil Service, is advice concerning the effect of income tax on the severance pay and the options open to each recipient including (most importantly) the pros and cons of investing the lump sum in a Registered Retirement Savings Plan. It is not suggested that the Department should itself give detailed advice on this particular point, but it should inform each employee well before retirement when advising of the amount of the lump sum he will receive, that it will be subject to full income tax during the year in which it is paid - with averaging over the past three years - if it is taken as a single lump sum payment. However, if put into a Registered Savings Plan, the tax will be distributed over the years as it is eventually withdrawn in segments, before the age of 71. What is most important is that the employee, having been informed of these options, should be referred to a Trust Company, Life Insurance Company or financial advisor of his choice in order to have the relative advantages of each option

fully explained to him. It is significant and most unfortunate that only three of the replies to the questionnaire said that the Registered Retirement Savings Plan option was mentioned during retirement processing, and none that any explanation of what it meant was given.

Insofar as the Canada Pension Plan and Old Age Security are concerned, each employee should be told one year before retirement that he must apply for these for himself and for his wife six months before each reaches the age of 65 for the Old Age Security payments. (Although application for Old Age Security cannot be made earlier than six months before reaching age 65, when an employee is first warned five years before reaching 65 that he will have to retire then, this Old Age Security information should be given then, with a warning that retroactive payments are only permissible for one year. It may be that an employee's wife is older than he is and unless he is warned of the entitlement, particularly if serving abroad, his wife might not make application in time). This application will produce the necessary application forms from the Canada Pension Plan which, in turn, must be sent in not earlier than three months before entitlement (age 65).

It is possible that many people reaching retirement, particularly if they approach this while living abroad, are unaware of the concessions offered to "senior citizens" particularly by rail and air lines, and of other concessions (theatres, local transportation, etc.). Each should be told about these at the start of his five year cycle, and at retirement, so that he will know that after 65 his transportation costs and some entertainment costs within Canada could be sharply reduced.

In all of these financial considerations, the position of the employee's wife should be carefully spelled out. That is to say, he should be informed that in the event of his death his wife will receive 50% of his pension, that under the Canada Pension Plan there are survivor benefits, that there are no Federal inheritance taxes for property left to his wife, but that various provinces still have some inheritance taxes. Reference should perhaps be made to the fact that at death the estate is assessed for capital gains tax as if the assets

had been liquidated at that time - hence the need for keeping records of purchase costs. (Trust Companies are ready to give guidance).

There also appears to be an anomaly that should be looked into and corrected in the case of Old Age Security payments to wives of employees under certain circumstances, and possibly also to employees should they decide to retire abroad before reaching pensionable age (65). The Department of National Health and Welfare has described the legislation as follows:

The legislation provides that certain absences from Canada of a resident of Canada shall not interrupt his residence in Canada. One of these is an absence from Canada of a resident of Canada while employed by the Government of Canada provided he returned to Canada at the end of such employment or he attained pensionable age while so employed. The residence of a married woman who was a resident of Canada and accompanied her husband while employed outside Canada by the Government of Canada shall not be interrupted if she returned to Canada before or at the end of such period of employment by her husband or she reached pensionable age while her husband was so employed. I might point out that one of the critical aspects of this provision is that the wife must have been a resident of Canada when she accompanied her husband outside Canada.

Apparently this legislation provides for no discretionary powers to anyone so that it is possible some grave injustice and even some hardship could arise in the case of an employee who chooses or who may be forced for health reasons (or any other reason) to retire abroad before reaching the age of 65. If he has married while en poste, his wife may not have been a resident of Canada before he was posted abroad. In both cases, to compel the employee and his wife to return to Canada (presumably by return is meant to establish residence) in order to qualify for the Old Age Pension may not be possible for health reasons and, in any case, it would put him to an unnecessary and possibly insupportable expense.

This is a strange proviso in the legislation that seems hard to justify. The employee while serving abroad has paid Canadian income tax as if he were a resident of Canada. In fact, he and his wife are regarded as residents for all tax purposes when posted abroad -



regardless of actual residence in Canada before posting. Since the funds for the Old Age Pension are found out of taxes, then by any sort of logic, a person who has regularly paid Canadian income tax and who has been regarded for tax purposes a resident of Canada (with his wife), should be entitled to receive the Old Age Pension for both himself and his wife. This problem will apply to only a very few persons, but to those few, the lack of Old Age Pension could pose a serious financial problem. Until the legislation is amended, it is important that this "caveat" should be carefully explained to each employee five years before retirement. However, as this does represent an injustice and a penalty for serving Canada abroad, the Department, together with other Departments having rotational employees, notably Industry, Trade and Commerce, should take steps to have the legislation amended so that service abroad should be accepted as residence in Canada for all purposes, tax as well as pensionable benefits without any qualifying limitations such as residence in Canada before being posted abroad, or return to Canada after service abroad unless pensionable age has been reached.

This subject is covered in the regulations of the Old Age Security Act, Paragraph 15. They have already been amended apparently without much difficulty to include service with NATO and with L'Agence de Cooperation Culturelle et Technique and other international organizations. Apparently all that is needed is for the Departments concerned to make the appropriate "case" to the Department of Health and Welfare.

It is also important that, well before retirement, the employee should be informed of the status of, and income tax liability for, his (a) pension, (b) Old Age Security payments for himself and wife, (c) Canada Pension Plan supplement, and (d) Unemployment Insurance Entitlement should he decide to retire abroad - otherwise how can he plan on where to settle on retirement?

He should also be informed five years before retirement of the deductions that will be made from his pension for his medical/hospital services, a detailed description of his coverage for himself and wife

and what premium payments will cease on reaching the age of 65. Until his final place of residence is established, this data cannot be assessed but since the majority will probably retire in Ontario, the facts concerning that Province might be supplied as a general guide and the address of the health plan authorities in each of the other provinces supplied. He must know how these medico/hospital benefits will apply if he decides to retire abroad, and the procedure for collecting.

One year before retirement, this sort of financial information should be supplied in as precise detail as possible so that at that time every employee will know fairly accurately what assets he has on which to base his final retirement planning.

Another point where there is some uncertainty is that of the position of a retiree's pension should he take employment after retirement with a Government agency, including of course with the Department: what effect will payments received have on his pension? At the present time, this information is not automatically spelled out in detail (only six answers to the questionnaire said that this had been mentioned), yet it is important, particularly if the Department does accept the suggestions in this report that much greater use should be made of the years of experience of its employees who retire. (Nor is this situation as clear as it may seem. Most probably assume that they cannot accept payment that would bring pay and pension over the amount being earned at the time of retirement. But in fact it is not as straight-forward as that.)

In general terms, if a retired person signs on for part-time work, his salary is effectively limited to the difference between last pay and pension. On the other hand, if an employee enters into a "contract", then Departments are under guidance rules from Treasury Board not to go above this difference - but they may, if necessary, negotiate a higher rate without the pensioner being liable to loss of pension, even though presumably the Department would have to obtain Treasury Board blessing on this higher negotiated rate. Moreover, there are some Federal Government Agencies - such as the Canadian

Standards Association and the Canada Council which, in the terms of the Acts incorporating them, are not part of the Public Service. In such cases, the Agency and the pensioner may negotiate contracts without any over-lying effects on the pension.)

It must be recognized that when a person retires, especially from within the Civil Service system, he is at a loss to know to whom to turn should questions arise over his various financial assets and obligations, since he is at once cut off from his own familiar Department. As a very real help to retired persons, and as a considerable boost to morale, the Department should set up some particular office on a continuing basis to whom anyone might appeal for help and advice in all matters, not only financial, after retiring. (see last paragraphs, this sub-section) 11

In addition, when a person retires, he should be advised (a) to whom he should apply for advice on his pension payments in the Department of Supply and Services and (b) to whom he should apply concerning the use of and coverage of his various medical benefits, i.e., the Provincial authority in the Province of his residence, the Insurance Company administering the extra benefits and the Blue Cross.

Finally, the Department should ensure that on retirement each retiree receives his severance pay on the actual date of retirement and that his first pension cheque is delivered on its due date. It is not good enough for the Department to wash its hands of this responsibility simply because the cheques are issued by the Department of Supply and Services. This seems elementary, yet more often than is acceptable (and that surely means never, except in some exceptional situation where a person is suddenly forced into retirement, and even then he will almost always have enough accumulated leave of one sort or another to enable the pay division to have the cheques ready on time), delays have occurred. There can be no excuse for this whatsoever. Indeed, it would be a courteous gesture if, during the last interview, the retiree would be given by his own Department, his severance pay, or notice that it had been delivered to a Registered 12

Retirement Savings Plan if that were his choice. Of the 24 replies to the question whether these payments were received on due date, only four replied that their first pension cheque was received on time and only twelve for the severance pay. Granted that the Department does not know whether the first pension cheque is delivered, they can ask the retiring pensioner to advise them if it does not arrive and then take up the question in no uncertain terms with Supply and Services on behalf of its employee, should there be any delay.

It would appear that the delivery of the severance pay cheque on the actual date of retirement poses problems that may be insuperable, under current procedures, because there are two Departments involved and because of the absolute necessity (understandable) of ensuring that this severance pay cheque could be made out for the correct amount. It cannot, therefore, be processed too far ahead; even if it is dated for the actual date of retirement, this may be subject to change for unforeseen circumstances (illness for example) for those retiring before maximum age. There is also a mechanical problem of fitting in this irregular processing to the automatic every second Monday and Tuesday processing of all the salary cheques for all the Departments. There may then be practical difficulties that need to be resolved to ensure that in all cases the severance pay cheques are delivered on the exact date. However, I suggest that this is an important point that should be examined closely before being put aside as impossible.

This cheque usually runs into several thousand dollars for pensioners with any sort of long term service and most of External's retirees will be in this category. The pensioner has earned the right to this money "on retirement" and with money being worth what it is, each day he is denied it, he loses heavily in interest charges. But again, the morale problem is equally important as financial considerations; any perceptible delay will lead to a sense of frustration and a feeling of "lack of concern". I am told that some of the long delays that occurred in the past - some correspondents reported having to wait nine months - do not occur now, since the Department of Supply and Services has surmounted the log jam that they were faced with

during a period of re-organization - or organization. Nevertheless, surely if the necessary documents are prepared far enough in advance by the Department and forwarded to the Department of Supply and Services, there should be some way of processing these cheques, post-dated, and having them ready for the pensioner on his retirement date. Could not this be discussed between the Departments concerned and ways and means found to solve the problem? I find it impossible to believe that a solution cannot be found; if, under current procedures, it is not possible to ensure that cheques, post-dated, if necessary, are issued on retirement date or before, then let the procedure be changed.

All of this may seem elementary, but, however illogical it may be, it is a fact that many - perhaps most - people do not and indeed cannot sit down and make this sort of financial calculation that is vital as the first step in planning a retirement future. In any case, it is clear from the answers to the questionnaire that most people coming to retirement in the Department do not know these facts. It is of no use to talk about encouraging people to prepare for retirement - and in some respects that is what this survey is all about - if the Department does not put in employees' hands the full financial data on which he must base his planning.

Probably the most effective way of providing a continuing counseling service after (and before) retirement would be through appointing a recently retired senior officer on a part-time contract basis, with a recently retired senior secretary as his assistant. Such an officer should have direct access to the Under-Secretary. He should not be responsible for working out the regular financial advice referred to above for prospective retirees but he should be ready to help such employees through the financial maze should sources be found not to be responsive to ex-employees' appeals for advice or help. The fact that someone in the Department who is also retired and therefore not subject to Civil Service constrictions, is available to listen to and help former employees should do much to dispel the general belief

that the Department is not interested in the welfare of its former servants. (This may well be a general belief now. Certainly the replies to the questionnaire contain several references to this phenomenon.)

It is recognized that it may be difficult to find an appropriate senior officer and secretary since the numbers retiring each year leave little choice. If the system is to work, clearly the choice of the officer is vitally important. If possible, he should not have been associated with personnel administration during his career - his task will be to fight for the interests of his "clients" and he will be more effective if he has not previously administered personnel problems within the Department. Moreover, his record must show that throughout his career he has had good relations with all levels of staff and to have shown a real interest in their welfare.

If it is not possible to interest a retired or retiring senior officer in the office, then perhaps some officer with suitable qualifications nearing retirement who might find too onerous the pressures of operating a post or division in Ottawa might welcome earlier retirement if he could be assured of taking on this task on a contract basis.

The establishment of this office under the direction of a recently retired senior officer for the purpose of providing a continuing link with the Department and a source of help to colleagues still employed, together with pulling together the financial facts for each person approaching retirement as proposed in this section, would do much to improve morale and to establish a sense of being "wanted" rather than of being "rejected" after long years of service for Canada. (Suggestions concerning the responsibilities of this office and methods of procedure are contained in Section VIII.)

(b) HEALTH:

Obviously, if a person is to enter into this Valhalla of contented retirement, a reasonable measure of good health is an immense advantage. The Department cannot be responsible for the health of its employees beyond ensuring that they have the opportunity for satisfactory living

and working conditions - which it does. However, it can ensure and should regard it as an obligation, that its employees are warned about the need for regular annual medical check-ups as they grow older. It can make sure that on return from a posting abroad, each employee is given a thorough medical check-up. On retirement, this final medical check-up should be particularly thorough for both the employee and his wife; probably each employee will prefer to have this undertaken by a doctor or clinic of his choice, since this service is now available without cost. Perhaps the role of the Department should be to urge each person retiring to see to it that this is done and that he begins his retirement with thorough-going medical advice regarding diet, exercise requirements or any other "caveats" that may be thrown up by the examination. However, should any employee request a medical examination by the Department of Health and Welfare, the Department should be prepared to make the necessary arrangements. At the moment, this health problem is not necessarily discussed during the retirement process. It should always be raised as a matter of routine.

In any case, five years before retirement, the Department should refer employees to various writings on this question which spell out practical and sensible approaches to the health angle as one grows older and to the mental health problems involved in retirement.

The Department need have no inhibitions in dwelling on the health problems that may arise for its employees, however personal they are. Until ill health strikes, I suppose all of us take good health pretty much for granted. After that, it may be too late, but by no means necessarily so. The "Retirement Handbook" summarizes the importance of a sensible attitude toward health, mental and physical.

It is the state of your health, your attitude and adjustment towards retirement, the preparation you have made for old age and your diet - not whether you are retired or employed that are the governing factors in whether you live to a ripe old age. The negative effects of retirement have generally been over-emphasized.

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In the section on Financial Problems, references are made to the need to ensure that all persons are aware of their medical benefits and to whom to turn for further advice. Canada has done much to ensure that the cost of health services will not cripple financially any citizen. The Department's responsibility should be to ensure that all of its employees know about these "assets" and that they are given the full protection provided by the system, at the same time making particular provision that its employees' health is protected as much as possible against the hazards and after-effects of having lived abroad, possibly in in-salubrious climates where one can pick up some rather stubborn, debilitating "bugs".

(c) WHERE TO RETIRE - AND IN WHAT SORT OF ACCOMMODATION:

The problem of where to settle on retirement and in what sort of accommodation is one that is given some prominence by experts on the subject. Generally, the question to be faced is whether to stay in the same place where one has spent one's working life, whether to live in a house that may be unnecessarily large after the family has left, whether to move to an apartment rather than a house, or vice versa. Perhaps for many people in External, this problem is more difficult than for others in more static employment; certainly for many who have spent most or a large part of their career abroad, there is no easy or automatic answer.

When considering the place to which one will retire, the writings are full of warnings about "selling out and moving to the greener pastures of sunny climates and year-round golfing, swimming, etc." They cite many cases where retired persons who have done that find it is not the climate and easier living conditions that are important, but one's former associates, friends and familiar surroundings where one is known, that make for happiness.

...it is the things he can't pack up, not the climate he's getting that are essential to a happy retirement. Familiar things and places are priceless as we grow older - make no mistake about that.



Henry Arthur Jones, Professor of Education at Leicester University, and previously Principal of the City Literary Institute, London, where pre-retirement training courses were pioneered in England expresses this in another way:

Maintaining an effective relationship in a community is, I am convinced, one of the basic needs of everyone after retirement, for it takes the place of the status that was formerly enjoyed at work.

If this is so, it surely points up one of the basic problems particularly applicable to rotational employees; for them, often it is not a question of "maintaining" but of "creating" a new relationship.

This sort of warning has particular validity for the members of the Department. If one is considering the position of a rotational employee who may have spent the majority of his working life in various places outside Canada, he has no familiar things and places to go on living with unless he decides to retire in the place in which he is serving when retired. But even there, his familiar things and friends were familiar because of his "job". Once he is no longer a member of the "Corps" or even of the society that revolved about the Corps, he no longer automatically belongs and may find himself gradually being eased out of the mainstream of a society in which he formerly moved automatically. Similarly, if most of his career has been in Ottawa, if he is a relatively senior officer at any rate, the same sort of situation arises. Thus, for many External types (unless they are quite sure they want to settle in the Ottawa area, accepting the fact that in a very short time they will be on the outside looking in but confident they have enough association with the non-Civil Service side of Ottawa to provide the safe haven of retirement all aspire to), a decision to move (probably for the last time) just has to be made.

The warnings, therefore, take on a new dimension. Clearly this is a decision each individual must make and it cannot be the Department's responsibility. All that the Department can do is to warn that sunshine resorts or retirement heavens without the support of friends and

familiar associations may turn out to be bitter disappointments that will take considerable funds to rectify, funds that may not be available. The Department can help by warning that people due to retire in five years should read some of the case histories dealing with this aspect of retirement - as well, of course, of other aspects included in the many books and articles on the subject. If members of the Department object that this would be unnecessary interference or rather too juvenile counselling, reading some of the case histories should deal with any such objection. 14.

It will be noted that this subject is always treated in the group pre-retirement training courses. Those who are in doubt about where and how to settle after retirement would be well advised to grapple with the problem long in advance of actual retirement; they might find attendance at such courses helpful in making their decision.

(d) USE OF LEISURE:

After monetary concerns, most authorities agree, and the pre-retirement courses pay much attention to this aspect, that another major problem faced by retiring or retired persons is what to do with the newly-found, virtually unlimited leisure time. However, it is debatable whether this is a Departmental or Governmental responsibility; beyond providing information on where help to pursue any post-retirement projects may be sought and encouraging "extra-mural" interests during one's career (dealt with elsewhere). Surely this is a person's own responsibility. In any case, this particular problem, which is undoubtedly very real and probably looms larger in the lower income groups of employees, should be less difficult for many of External's employees who have of necessity been exposed to new ways to use leisure through their successive postings and changes in occupation.

But "work" is undoubtedly a motivation for most people's happiness and will continue to remain so until society undergoes a radical change in its scale of values. As recently as 1965 when giving evidence before the Senate Committee on Aging, the Jewish Vocational Service said in its submission "Work gives form, dimension and meaning to the

life of the average citizen." While this is undoubtedly true, it should not be the over-riding factor after retirement; but, unless retirement activity is planned well in advance, it may be a factor that destroys the tranquillity and satisfaction of retirement. The work ethic as a virtue most certainly does apply to the senior officers in External (most particularly to those trapped in the high strata of "killer's row"), but it is doubtful if this total immersion in work will appeal after retirement - probably quite the contrary. Indeed, it is probable that for most employees of the Department, and certainly those on the rotational list, the so-called "horrors" of retirement because of loss of work routine, will be less than is the case for most people. This is because anyone with a minimum of curiosity and initiative can hardly fail to develop interests outside of his work. He has been accustomed to meeting new people in new environments, in taking on new and different types of jobs in differing circumstances every three or four years during his whole working life. Retirement should be "just another posting" with the added incentive that now and forever the retiree will be his own "head of post" to do what he likes when he likes, to pursue his interests cultivated and developed during his nomadic, interesting life, at his own speed and intensity - limited only by his financial and physical capability.

On the other hand, perhaps the "External type" might have more difficulty in adjusting from a position where the apparatus of "diplomacy" surrounds him with prestige, position and respect in the community, to the life of an ordinary retired person in a community which generally, in Canada at any rate, couldn't care less and is not particularly impressed by any sort of diplomatic rank or career about which it knows very little. But this psychological shock is not one that is particularly difficult to overcome and should give rise more to hilarity and mirth rather than despondency.

Miss Lorna Hubbard, the Secretary of the Pre-retirement Association, London, has this to say:

Retirement is not a problem for everyone. Perhaps as many as 10% looked forward to it....people who throughout their education, training and work, have continually been making new contacts and adapting themselves to new circumstances. To them, the change from full time employment to the full time leisure of retirement is no more than a change on a well planned journey.

Also a University of Michigan study of a large sampling of retired people presents evidence to show that those who develop absorbing interests outside of the job at least five years before retirement are most apt to have a rewarding time of it.

Surely it may be assumed that many of External's people, certainly more than Miss Hubbard's 10% would come within the category described as 'looking forward to it' and would meet the criteria of having a more than even chance of successfully meeting it. Again, because of the exposure to different styles of living, new interests, new problems for much of one's working life, many of External's people will have developed "absorbing interests" outside of their particular work years before retirement and, therefore, are more apt to make a go of it.

In any case, by any sort of sensible argument, the use of leisure time after retirement must be the responsibility of each individual. What the Department can do is to offer to use the store of experience and training built up over the years in the service of Canada, or at least encourage the continued participation of its former employees in the affairs of Canada after retirement. 15.

As long as 12 years ago, Dr. Wilder Penfield vigorously sounded the warning of wasting the assets of people who have retired. After pointing to the "...ever increasing company of men in Western countries between 60 and 90", he claimed that

The theory that the man or woman of 60 has nothing more to contribute to society during the 10 or 20 years of active life that remains is wrong. The belief that men in late years cannot learn new skills and educated men new professions is false. Most men who retire could continue on in constructive work, if they saw that they were needed.

It seems clear that, insofar as the Department is concerned, it is these last few words (underlined) that spell out one of the most serious defects in the retirement process up to now. In the past, some use has been made of some of the "superstars" of the Department, but this process has been generally confined to the chosen few within the inner circles of the Department. However, recently the Historical Division has begun to cast its net more generally - a process that is to be commended and should be extended more widely within the Department. The point is that such a general possibility is not now held out to employees systematically when they are being retired. Whatever is done now by the Department in the field of preparation for retirement must deal with this particular psychological problem - every effort should be made to make the retiree feel that he is not rejected, that the Department, while it cannot continue to employ him full-time, is interested and recognizes that his long years of service are an asset that will be used whenever possible. What is important is that the talent, the experience garnered over the years of service should not be entirely lost to the country. It may well be that many officers and staff reach the end of their career with some sense of unfulfillment, if not frustration. It is this aspect of retirement that needs attention both for the benefit of the individual and for the benefit of the Department and therefore of the country.

During one's career, perhaps inevitably, most people will develop ideas, pet theories concerning Canada's role in the world, how we are or are not playing our part, how we are or are not developing our possible trade opportunities, how we are or are not displaying to the world our cultural achievements, how we are or are not serving the Canadian public in our missions abroad, how improvements could be made in the organization or administration of the missions, and so on. Perhaps some of these "bees in bonnets" may have been let loose from time to time during one's career, but unless they happened to hit a responsive chord in the immense orchestra of the Ottawa hive, their chances of survival or even of serious consideration are slight. Moreover, more often than not, these ideas may forever remain ideas for the simple

reason that the holder may never have had the time to think them through or develop the necessary research to put them forward as a cohesive proposal. Yet successive postings may constantly reaffirm that the theories are sound, if only one had the time to work them through. There is also the possibility, since even External types are human, that some ideas may be thought to be against present trends in policy, and to push them could damage one's career.

Should not people on retirement be encouraged to work on any ideas they may wish to explore by the offer of facilities, access to records, departmental library, and a promise to consider any papers so developed, and of an offer of a personal presentation to senior officers by the author? In addition, when the Department is engaged in preparing position papers on any particular subject, should not recently retired officers whose career has given them a particular knowledge or experience in the subject or of the country concerned, be asked if they would like to contribute their view and be given an opportunity of presenting them in person to the group in External working on the project?\* For example, the Department recently issued a paper on Canada-U.S. Relations. Were any of the recently retired senior officers with service in the U.S. - particularly in Washington or New York who were concerned with political, economic, financial or trade matters, asked for their views? Also, in the many institutional conferences dealing with economic, financial or trade matters between Canada and the U.S. or Canada and other Countries or areas, should not the experience of recently retired officers be used? For example, the recent conference of CCLA, could not the Department help to ensure that its ex-officers' names are put forward or at least that these retired officers be advised of such conferences and given the opportunity to participate should they so wish?

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\* If the Department does encourage its former employees to submit views, either on their initiative or on specific requests, it is vital that these should be considered and, wherever possible, the officer invited to present the paper in person and argue for his point of view. To invite submissions and to politely acknowledge them without any indication of why the views are or are not being accepted would defeat one of the reasons for the exercise.

This use of retired officers is common practice in private industry and commerce. According to a report published in the "Business Record" entitled "Company Relations with Retired Executives", the practice in private industry of using its retired executives in a consultant role runs all the way from full employment under contract for life, through working inside the corporation on certain committees, to actual prohibition of post-retirement employment in any capacity.

Apart from encouraging him to submit papers on matters of current interest and actually employing him on specific projects under individual contract, the Department should work in close liaison with CESO, OXFAM, the administration of our aid programme, the U.N. and any agencies national and international where skills developed by work in the service of Canada would be useful. Perhaps arrangements could be made whereby lists of those retiring (and who would like to become involved) with an outline of their careers and particular interests could be sent to such organizations and close contact kept with them with a view to bringing "supply and demand" together.

There is another outlet for some of the talent available - liaison with the universities. Could not the Department enter into arrangements with the universities whereby the names and records of officers retiring might be supplied to them (possibly through the Association of Canadian Universities and Colleges)? This listing might be accompanied with notes concerning particular interests of each in the policy of Canada or possibly in some branch of the arts cultivated during his wandering career so that he might be used to give lectures. Surely, the universities would benefit from hearing from people with practical firsthand experience and knowledge of some of the issues confronting Canada today, looked at from outside Canada.

Clearly only relatively few people will become involved with the Department after retirement. What to do with the newfound and unlimited leisure that suddenly becomes one's due after retirement has been proven to be a "problem", not one that can be assumed to be a "boon" and not one that the Department may shrug off as being irrelevant for

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its employees. Advance planning is necessary, and prodding should not be neglected. Moreover, there are plenty of warnings that planning for unlimited golf or fishing or such pleasant diversions almost invariably proves to be inadequate and ends in frustration and unhappiness. There is need for mind-stimulating activities if one is not to go to seed prematurely, planted in a morass of disenchantment and unhappiness.

Bernard Shaw may be quoted: "A perpetual holiday is a good working definition of Hell."

One might also note a paragraph from the literature prepared by "Harvest Years" for retired people:

The second misconception about retirement is the idea that it can be loafed through. A man who has worked all his life cannot stop working when he gets his pension without something happening to his body and mind - a sort of gradual rusting away. Almost without exception, the retired man who goes to the cemetery first is the one who retires and just sits down.

Some employees still in reasonably good health at the compulsory retirement age may seek solution to their contentment after retirement in other paid work either full or part-time. In times of unemployment, this will be particularly difficult to find and, in the age of rapidly advancing technology, one can expect that employment for those 65 and over will be increasingly difficult. It is possible that society as a whole will come to realize the assets that their senior citizens hold for the community as a whole and attitudes will change to the point where employment will be more readily available than is the case now - but this is not so now. Apart from the intelligent use of its own retired persons, the Department could help its former employees with further employment outside of Government service, making available information about the agencies where its retirees might apply for work, both voluntary and remunerative - and this should be done.

It is unlikely that many of the Department's employees will seek new gainful employment on retirement. The Senate Committee on Aging



(Chapter 3) notes that the number of males beyond 65 still working is showing a steady decrease, from 60% in 1921 to 25% in 1965 (whereas the number of women over 65 working shows a slight increase, 5.8% in 1963 against 4.2% in 1950). It is probably that the work pattern of External's employees and the satisfactory pension arrangements would work toward substantially lowering the percentage of those seeking gainful employment after 65. This is reinforced by an analysis in the Senate report of the type of work done by those over 65 - males 29.8% in agriculture, 13.4% in service, 10.8% in manufacturing and on 12.5% in managerial. For women, 40.3% were in "personal service" and the balance in professional and clerical work.

With the advance of technology, accompanied by the trend to shorter or more concentrated working hours and longer holidays, more three day weekends, most workers today have leisure time during their working life to arrange and dispose of. Whereas a few years ago, leisure time or any appreciable continuity to it was a rarity until retirement; today this is not so, and this applies to all employees of External (except possibly the top mandarins!) While it is undoubtedly true that most writings on this particular aspect of retirement still stress the sadness and futility of inability to use leisure, the re-organization of the work in today's world automatically must be giving greater incentive to the satisfactory use of leisure during one's working life. Surely this problem will be a diminishing one in the future, but for the time being it is not one that can be ignored even though it can be argued that in general it is a problem for society as a whole rather than a Departmental one - insofar as it is anyone's responsibility but one's own.

(e) PHILOSOPHICAL PROBLEMS:

There can be little doubt that retirement for most people presents as many psychological problems as physical. The latter can be dealt with provided one has the financial resources - assuming ill health has not intervened - and that one is prepared to face up to them. However, one will not face up to the physical problems unless one has

made one's peace with the psychological problems. Such problems are general and involve loss of prestige, loss of a sense of achievement, of being wanted, of companionship of one's fellow workers, of having a place to go each day and something that is "laid on" to do, some goals to reach, of adjustments in one's home where the wife's routine may have to be adjusted. None of these need be fatal to the enjoyment of retirement, but unless they are faced squarely they very well may be. But to cope with them, one needs a long period of philosophical adjustment that can rarely be achieved at the end of one's working career.

Perhaps it is a fair deduction to say that all members of the Foreign Service - of whatever Department - but particularly those of External and Industry, Trade and Commerce, have a greater chance of coming to the final "starting gate" well prepared and conditioned, because by the nature of their work they have frequently faced new problems, new challenges, new conditions, met new people, seen and experienced other types of lives and living (after all, retirement is in many ways a repetition of what they have been doing all their lives - just another posting or another assignment in Ottawa to a totally different job). Perhaps, then, one can argue that there is no excuse for most people in External succumbing to this psychological malaise at the end of their career. Mr. Les Cannon, President of the Electrical Trades Union in England, has this to say:

For those who have a liberal education, who have come to appreciate the arts, who have enjoyed a cultural life along with well paid employment, who have lived in the secure knowledge of a substantial pension on retirement, there should be no problem except one of adjustment, and this should be within their power to resolve.

Surely this fits neatly a definition of most employees of the Department.

On the other hand, there is no doubt that, more than is the case in many other types of employment, most External Affairs employees, particularly officers but also staff members who are rotational have become accustomed to a pretty heady status when serving abroad. They

have, many of them, enjoyed heavy responsibility at a fairly young age, they have had to learn new skills, develop new interests, meet new people, coped with new life styles, almost from the start of their careers. While some of these conditions will help them to meet retirement successfully and unafraid, the sudden loss of status and of belonging to the decision-making apparatus, not just of a company, but for their country, could be a traumatic experience that could sap the joy out of their retirement years.

Perhaps the only real defence against this sort of "let down" is the development of a sense of humour and an adequate philosophy of life early in the game. H. C. L. Heywood, Provost of Southwell and member of the "Preparation for Retirement Committee" in England expresses this point: "An adequate philosophy of life is something we can never start too soon."

This surely is the key to this particular problem to be faced in retirement and it is hardly one that the Department can do much about. It is the responsibility of the individual - all that the Department can do is to encourage the development of outside interests (Section VI (d) ), to ensure that its handling of its people throughout their career is fair and understanding, and to let it be known that at the end their service will be appreciated and that they will not be immediately forgotten. Certainly this "adequate philosophy" cannot come about through a "crash course" at the end.



In trying to determine how far and in what way the Department should go about preparing its employees for retirement, one must first decide on the basic responsibility of the Department as an employer. Some of the literature on the subject of retirement, and preparation for it, assumes that the welfare of its former employees is a direct responsibility of the employer. For instance, the Financial Post article on retirement (issue of 24 June, 1972) says that "Experts in retirement gerontology said that industry is sadly shirking its responsibilities to ensure the welfare of its retired employees." (It is assumed here that this goes beyond the question of adequate pension plans.) Presumably these experts would include most other employers as well as "industry" and almost certainly "Government", with this very important difference: "Government", in comparison with private industry, has ensured that its pensioners are reasonably well taken care of financially through its pension scheme. On the other hand, Government otherwise has been less concerned with the fate of its retired employees than many private corporations. The point that needs to be considered is the bland assumption that it is industry's - or let us say the employer's - responsibility to "ensure the welfare of its retired employees", beyond the question of pensions.

From an industry's point of view, there are a number of considerations, and since Government as an employer must compete with industry, what industry does is relevant. In the first place, "ensuring the welfare" must cost money after the employee has retired unless the pre-retirement programme is such that it automatically "ensures the welfare" after retirement. But none of us live in isolation, much less in Canada where such a high percentage of our GNP comes from exports, where because of our small, widely-spread population, high cost of winter, demands for parallel standards with the U.S. involving closely related wage rates, employers are not free to adopt policies or programmes that add to costs of production. (A point raised by the Dutch Consul General at the Conference Board Seminar) If industry cannot adopt such programmes and thus assume the "responsibility" for

the welfare of its former employees alone, the civil servant has no more claim on the public purse than the citizen who works on his own or for private industry - particularly considering that the Civil Service pension schemes are more generous than those of most private industries. It is only if it can be shown that such a programme lowers costs of production by increased morale and productivity that such programmes become desirable and employers justified on that ground alone for assuming the responsibility for "ensuring the welfare, etc."

This view is probably one generally held by industry. One of the leaders in this field of personal counselling in Canadian industry writes "Few would deny that the responsibility of solving the problem of adjustment (to retirement) lies with the individual" - this seems a reasonable and sensible conclusion - a conclusion moreover, that so far at least has hardly been challenged by the labour unions.

Perhaps one of the most telling summaries of the problem is contained in a statement by Senator Desmond, former Chairman of the New York State Joint Legislative Committee on Problems of the Aging:

The thermostat of true aging is set by one's mind, by serenity of spirit, by continued growth, and by purposeful activity. And underlying these, financial security. These are, for the most part, responsibilities of the self. One cannot legislate peace of mind, nor can youthfulness be allocated like roads and bridges and post offices by legislative fiat.

Again to quote from Sister St. Michael:

...our long term aim should be a total reform of our educational system so that citizens of all ages can learn to appreciate the 'works of leisure', to experience the joys of the volunteer who helps build a good community and to relish again the happiness of contemplation and creative play....Education should build an inner room of freedom in man's soul where he can find the mental and emotional energy to celebrate that life.

While the Department cannot be held responsible for changing the national concept of education, its policies for handling its employees during their working life should be framed to recognize the dangers of the "work ethic" as well as its good points.

Again in the report of the "Special Senate Committee on Aging" (Chapter I, Para. 4), when questioning whose responsibility it is to provide for services and facilities for old people, there is this significant conclusion: "...the individual should be expected to carry a personal responsibility for his own health, welfare and happiness in old age as in earlier life up to the limits of his means and capacity."

There are other reasons why we should not necessarily accept generalized conclusions concerning the employer's responsibility. First, we may be exaggerating the problem or rather over-evaluating the possibility of correcting it insofar as the Department is concerned. (Most studies on the problem can present ample statistics to support the theory that the majority do not prepare and have few resources to fall back on when the event does occur, but it is difficult to determine to what extent pre-retirement counselling has seriously cut into the actual problem, while undoubtedly improving morale and relations between employee and employer. Probably External's employees are no more prone to prepare in advance than any others, but because of their type of work they should have developed more varied resources on which to depend after retirement.)

Secondly, the failures are surely more the result of our educational system and the way in which society is organized as a whole, more than the fault of the employer. In saying that the employer has the principle responsibility for the "welfare" of its employees after retirement, are we not suggesting that the employer is responsible for the educational system and for the broad criteria under which society operates? If our educational system is geared primarily toward educating people to earn money, and if society judges a man by the success he makes of his working career, should the employer be held responsible if, at the end of that career, an employee has no or few resources to help him to stop work happily - simply because the employee has found happiness in devoting his whole life to make that work satisfying and productive (admittedly in his own interest as well as that of his

employer?) To hold that it is the employer's responsibility surely is to say that the employer is required to alter human nature and indeed to enter into the private mind of its employees.

On the other hand, responsibility or not, the literature on the subject for preparation or counselling for retirement, refers again and again to the positive benefits derived by those companies who have shown concern and adopted counselling programmes for its employees for several years before compulsory retirement. These benefits are reflected in better morale and therefore in productivity and in good public relations. "It is good business to do what you can to have your retired workers think well of your company."

This general concept is confirmed by many authorities. One may note this:

...retirement counselling programmes have proved to be of positive value to the employer. This has been accomplished by linking to the pension programme a service that both personalizes its benefits while the employee is still at work and convinces him that when he retires he means more to the company than just a clerical operation of mailing his monthly pension check.

While this quote is taken from the promotional literature of Retirement Advisors Incorporated of New York and is designed to sell its programmes, the thoughts expressed are valid in the context of the Department.

If then it may be generally accepted that it is natural and indeed essential in the interests of good public relations and of good morale that the Department should be concerned that its retired employees are contented and prepared to enjoy the well earned retirement years, there is surely another aspect of the problem. The Department, through its investment in the rotational employees in particular, represented by the high cost of maintaining its missions all over the world, the relatively large allowances and costs of transfer, has an interest in ensuring that maximum use should be obtained from this investment - in other words, when an employee retires before the maximum age, this represents a loss of "investment" that is



proportionately larger than that of the Civil Servants who are not rotational. It is therefore clearly in the interest of the Department and of the Canadian people, that as long as an employee is in good health and interested in his work, he should carry on to the age of 65.

There will be differences of opinion concerning the extent of this responsibility by the Department but surely there can be no argument that it should shoulder more than it does now. I suggest the Department's responsibility might encompass the following:

(a) To ensure that during the working career of all of its employees, a sense of fair play and creditability of management is developed. (Senator Desmond's "Serenity of Spirit")

(b) That demands on its employees are not such as to discourage the development of outside interests - in the best interests of the Department. It should therefore encourage as far as practicable its employees to move in and out of the Department for reasonable cause.

(c) That each employee is given adequate warning of the compulsory retirement date and advised to prepare for retirement, told how and where to seek advice if needed, given complete data of the financial assets that will be available on retirement - pension, severance pay, Old Age Security, Canada Pension Plan, Unemployment Insurance, medical coverage, etc., - well before the compulsory retirement date.

(d) That the actual retirement procedures are efficient, complete and above all "human" - not coldly mechanical.

(e) That after retirement, to keep track of its employees, provide for Departmental counselling if required, and make it clear that the ideas of former employees will be welcomed by the Department.

(f) To use insofar as possible the experience, intelligence and interest of its former employees through contract or voluntary work in fields where their service has given them expertise and knowledge.

The adoption of some sort of programme to meet these several responsibilities is not accepting the responsibility for the employees' happiness or welfare in retirement, but it is pointing to the responsibility to warn, to show interest and compassion.

16.

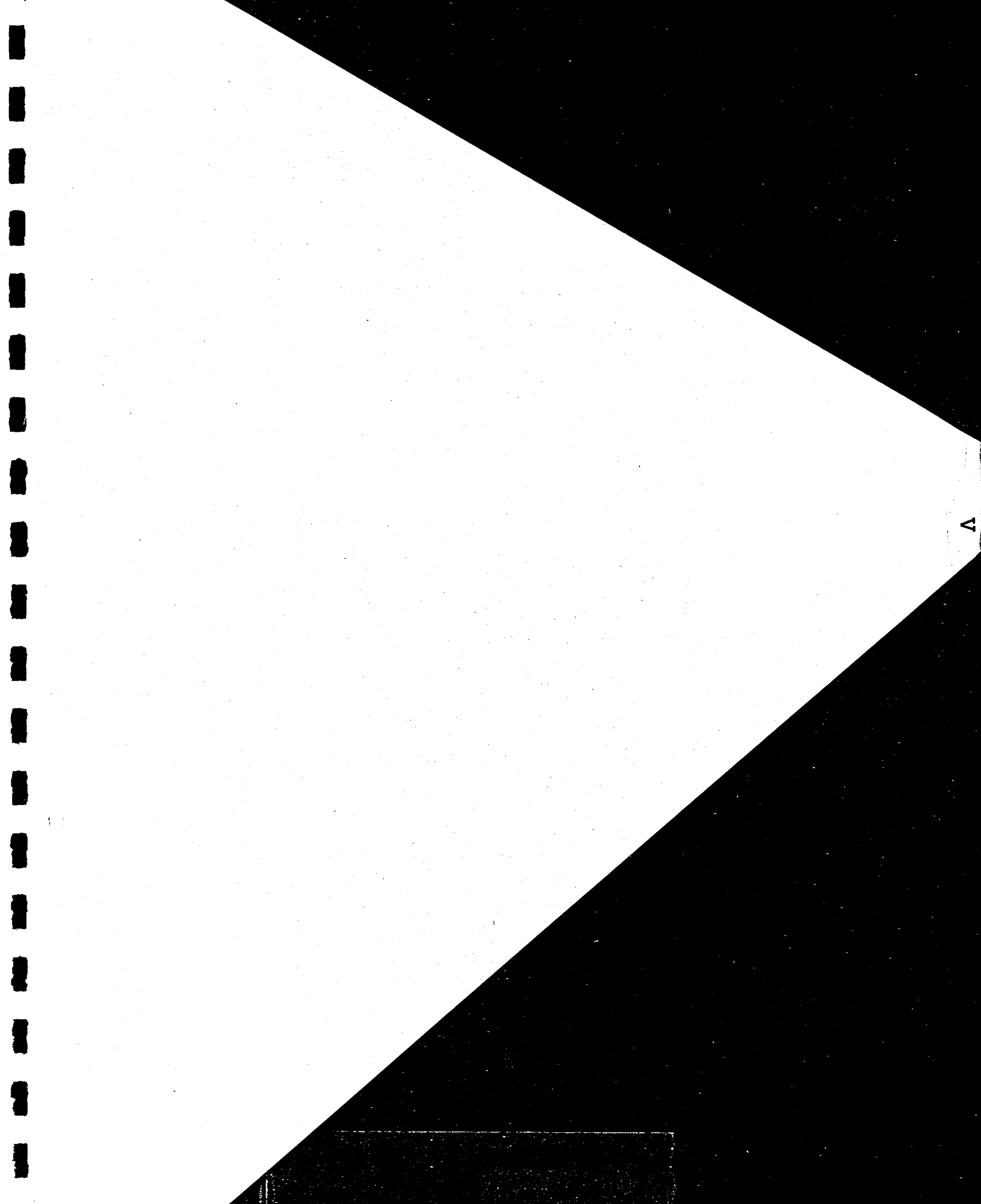
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- These very broad responsibilities, if properly carried out, should not add significantly to the cost of administration but should add appreciably to the morale of all ranks. But, having ensured through its pension plans, retirement benefits, etc., that its employees are provided for financially, in the final analysis, the "responsibility for the welfare" of the employees of the Department after retirement should rest with each former employee; it is the Department's responsibility to make it possible and desirable for each employee to exercise and to want to exercise that responsibility.

It will be noted that in Section II of Mr. Wood's report to Mr. H. D. Clark of the Treasury Board one of the recommendations made is that there should be a meeting to establish (among other things) "the degree of responsibility the Government, as employer, should undertake" (in this field of pre-retirement training). I suggest that the foregoing might well be considered an appropriate framework for consideration.



A

If one considers the number of people retiring from External Affairs as a problem, its magnitude is illustrated by the attached graph and table. Briefly, this shows that in terms of numbers, the "problem" grows fairly rapidly until the mid-1980's. Within the next five years the numbers retiring at 65 rise from 13 to 29 in 1977 but by 1987 they amount to 64 when they begin to fall off. The graph of the rotational employees, whose problems are undoubtedly different in emphasis from those in static employment, follows roughly the same trend. As a rule of thumb, it may be assumed that about half the Department's employees at any one time are rotational, but in general most of those coming to retirement probably do so when serving in Ottawa. If, however, the process of preparing for retirement is to start say, five years back, then whatever system is developed must be geared to handle those serving abroad as well as those in Ottawa.

Of course, there will be a number who will retire before the age of 65, either to take other employment or for health reasons so that the exact year-to-year numbers are unimportant; they simply give some indication of trends. Those taking voluntary early retirement for reasons other than health may be considered as needing less counselling, but they will need full information concerning what their "assets" will be after retirement just as much as those going the full route. In any case, to a large extent it may be accepted that the majority of employees will continue to expect to carry on until they reach the age of 65, though this assumption may not be valid in the near future if trends toward early retirement throughout our society continue.

It is too early to assess the effect that lowering the voluntary retirement age to 55 will have on employees, (voluntary retirement at 55 is without any actuarial adjustment to pensions as long as a person has a minimum of 30 years' service. There is still no limit by years of service at age 60 to qualify for a fully earned pension at that date.) It would seem that as long

as there is a severe unemployment problem coupled with the emphasis on youth in hiring practices, the lowered voluntary retirement age should not have too much effect. Moreover, with the escalation of salaries that has occurred and will continue to occur in keeping with the inflationary trend in general, the temptation to "hang on" might also be expected to delay retirement (off-set perhaps by the knowledge that with increasing income the income tax rate rapidly increases also, so that an employee may have the feeling that it is hardly worthwhile to work the extra years to add significantly to his pension!)

However, these numbers should not be treated as an "External" problem in isolation because, if anything far reaching and drastic is done by the Department in the field of retirement counselling and the intelligent use of its retired persons, then such policies and actions should be adopted and worked out in co-ordination with other Departments having rotational personnel, and therefore, with similar problems and opportunities. In addition, while the terms of reference cover a study of the problems of Canadian-based members of the Department, any recognition that retirement counselling and procedures need drastic overhaul should carry with it a recognition that the same solutions should also be applied and the policies adapted for the hundreds of loyal and efficient "locally employed" persons throughout the world.

R 17.

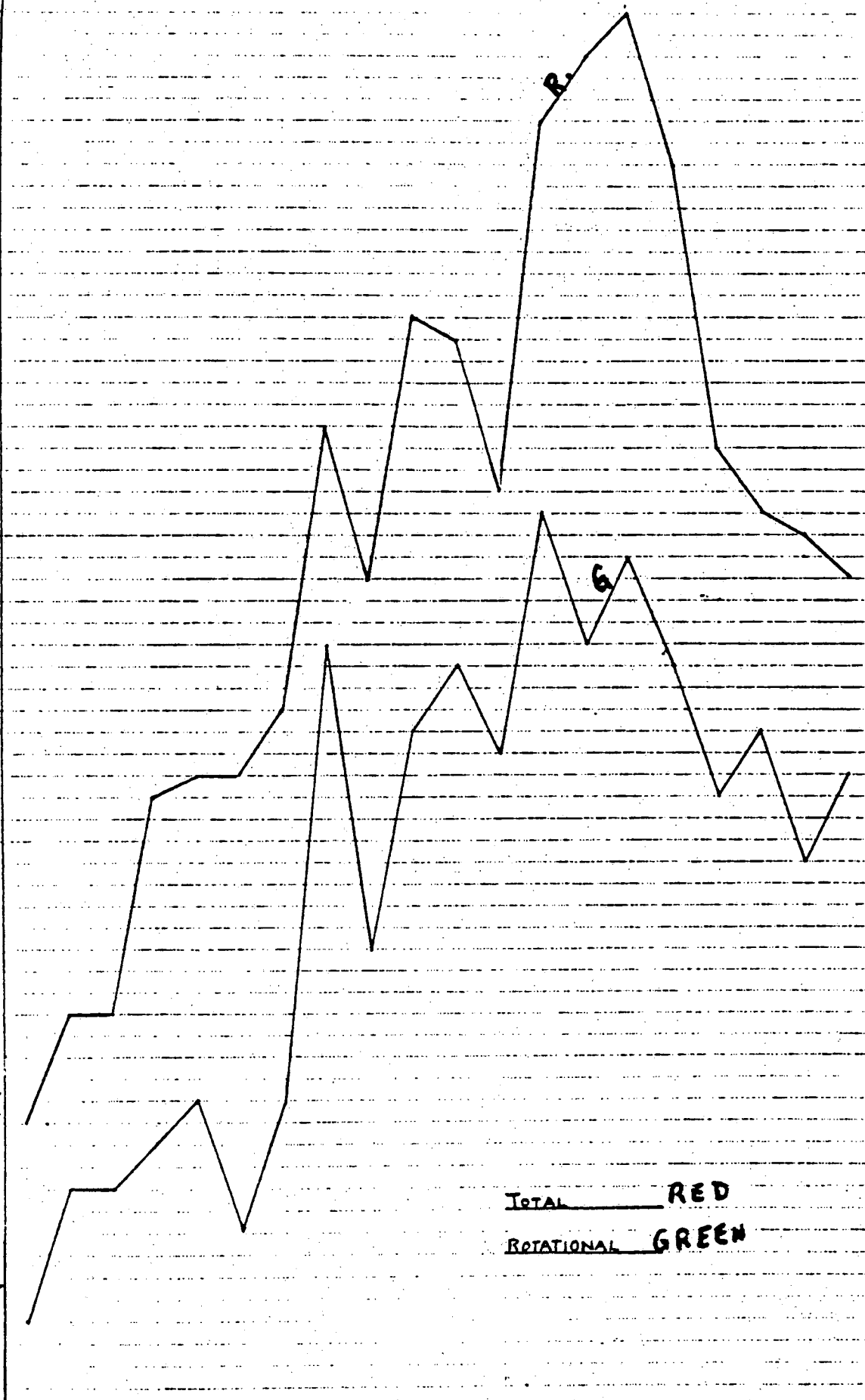
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The graph therefore, is simply the tip of an iceberg, showing a trend, but not by any means the depth of the problem. Moreover, this trend is not just a Departmental one but a National and even a world-wide trend. For we are living in an age of rapidly shrinking family size, so that the population pyramid is steadily growing top-heavy. We, in Canada, in company with other developed countries, are "becoming a society of elders". This represents one of the most important changes in society in centuries and one that will have a profound effect on the treatment of and regard for elder citizens in the near future.

In addition, there is probably some trend toward totally new conceptions of "work" and "leisure" as exemplified by the experiments being conducted in the United States, and probably to a lesser extent in Canada, with a four or even three day work week, with longer hours to make up approximately the same number of working hours per week. In Canada, Imperial Oil is reported in a recent magazine article to find that such a pattern is working out very well in increased productivity and improved morale. Should such a system of work gain general acceptance, presumably it will have its effect on Civil Service methods and demands. It will also bring with it an automatic change in attitude toward the use of leisure - hopefully one that will reduce the trauma of switching from total work to total leisure that tends to occur now on retirement, all of which points toward the need for re-thinking the role of the employer toward the retirement process. In the case of the Department, the fact that the numbers involved may not be particularly large does not take away from the morale effect throughout the service of seeing that those persons retiring are dealt with sympathetically and efficiently. In fact, because the numbers are relatively few, the possibility of dealing with the problem with a personal touch and with more effectiveness is more manageable.

NO. REACHING 65 YRS. OLD.

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TOTAL RED  
ROTATIONAL GREEN

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CATEGORY

NUMBERS OF E.A.'S EMPLOYEES REACHING 65 YRS. OF AGE.

	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
F50-ALL R.	3	4	3	3	3	2	7	12	4	7	15	10	7	15	13	6	9	12	6	8
T.	-	-	3	5	10	2	3	13	10	13	5	7	8	8	11	9	7	9	4	4
AS R.	-	-	2	3	8	1	2	13	7	11	1	6	3	4	5	7	5	7	3	4
ES-ALL NR.	-	-	-	-	-	-	-	-	-	-	-	1	1	1	2	1	1	-	1	-
FI-ALL NR.	1	-	-	-	-	1	-	-	1	-	-	1	-	-	2	1	-	-	-	-
IS-ALL NR.	-	-	-	1	-	-	-	-	1	1	1	1	1	-	1	-	1	-	1	-
PG-ALL NR.	-	2	-	-	-	-	-	-	1	-	1	-	1	-	-	-	-	-	1	-
SI-ALL NR.	1	-	-	2	1	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-
T.	3	5	1	6	5	8	7	5	7	6	6	6	10	14	6	15	9	4	6	7
CR R.	1	2	1	1	1	4	3	2	2	1	3	5	8	8	4	4	3	3	4	2
CM-ALL R.	-	-	2	-	-	-	-	-	-	1	1	-	2	2	3	2	2	3	6	1
T.	-	-	1	-	2	3	2	2	1	2	3	2	4	3	2	-	2	-	-	-
MES R.	-	-	-	-	-	-	-	-	-	-	-	-	1	1	-	-	1	-	-	-
T.	4	4	6	6	2	7	8	3	6	8	11	8	13	10	4	8	3	3	4	-
PRC R.	-	3	-	4	-	-	-	-	5	6	10	7	12	-	-	6	2	-	-	-
T.	-	2	2	1	4	3	2	9	4	6	4	4	10	5	14	11	9	5	7	14
ST R.	-	1	2	1	2	1	2	8	3	5	4	2	8	5	14	9	8	4	6	14
EL-ALL NR.	-	-	-	1	2	-	-	-	1	2	-	2	1	2	3	2	-	1	1	2
T.	1	1	-	3	-	3	3	1	2	3	1	-	1	2	3	2	1	4	3	2
MISC* R.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2	-	-
T.	13	18	18	28	29	29	32	45	38	50	49	42	59	62	64	57	44	41	40	38
TOTAL R.	4	10	10	12	14	8	14	35	21	31	34	30	41	35	39	34	26	31	25	29

T = TOTAL.  
 R = ROTATIONAL.  
 NR = NON-ROTATIONAL.

\* INCLUDES: DSS: EG: GT: HR: LA: OS: OM: PE: SATT: SX: SI: CR: BUS: DD: DEO: MAM: MST: STS: OE: PEA: PSEC.





SECTION V - METHODS OF DEALING WITH THE PROBLEM

There can be no doubt that there is a problem that exists when many people reach retirement - these have been discussed under Section III. It is also clear that society as a whole has become more aware of the problem during the past decade and that management is tending to recognize that something must be done about it for the benefit of the individual and also in its own interests. We may also conclude that the employees of External Affairs are no more immunized from the "problem" than any other employees, although affected differently than others in more static forms of employment by the several facets of the problem.

In considering what the Department should do to meet the problem, one should examine the methods now being used by Government and by private industry and commerce, and select and adjust those "tools" best suited to the Department's particular needs. But this is not an exact science, the results of which can be measured by any sort of yardstick. In the first place, there is a certain element, and it is probably fairly strong, of "bringing the horse to water" that's relatively easy, but can he be made to drink profitably? Secondly, there is a tendency to try to change whole life styles and philosophies at the end of a working career - philosophies built in to each individual by the educational system, by society itself, the work ethic.

Thus, designing the "tools" is not easy and there is some element of tempting the impossible by setting up programmes that appear to meet the need and assuming that they will be accepted as evidence that the situation has been met.

In Section I there are some notes that point to the futility of trying to cure the problem by crash courses at the end. This points to the need to look for solutions much further back. At the same time, there is ample evidence that it is virtually impossible to expect most people to think about, much less plan for, retirement much before five years ahead of the event. What has

to be done in the earlier years must be done by "stealth". Thus, in looking at the "tools", one should not focus only on those most obvious ones, but look at the whole work philosophy of the Department and also at the procedures for handling people before retirement. For if a person has the intelligence and initiative to plan in advance and to be able to meet the transition to retirement without difficulty, he still needs the sympathetic and understanding help of the Department. Without this, he cannot carry out his planning effectively. Moreover, if he meets indifference at the end of his career, the bloom will be off his retirement in that he will carry with him a sense of grievance against Government service.

Direct efforts at pre-retirement preparation that are currently being used in Government and industry principally develop around some form of counselling. This may take the form of "in-plant" group discussion meetings, personal, individual counselling, or contractual service from a professional private counselling organization. Other indirect forms of preparation - and by being indirect, no less effective - may be listed as:

- (a) Various forms of "sabbatical leave"
- (b) Tapering off
- (c) Post-retirement liaison
- (d) Use of pensioners after retirement

#### Counselling:

In Section II and the related appendices, considerable detail is given concerning the types of group counselling courses being offered in Canada, the United States and Britain. There is also some detail on how the various private firms organize individual personal counselling. Full information concerning the professional private counselling services available in Canada and the United States is also given.

Insofar as group counselling courses are concerned, this is the method principally used by those Departments of Government in Ottawa that have gone into the question of pre-retirement training. Also in the United States, Government Departments there make wide

use of this method. Most of these Departments supplement the courses with considerable printed literature, including booklets specially prepared by each Department giving considerable information on the financial assets available through the various pension schemes and warnings about the pit-falls of retirement. But none of them in Canada and few in the United States have regular personal counselling programmes. To that extent, the Government trend differs from industry where personal counselling is undoubtedly more widely used than group counselling - again see Section II. Although all Government Departments in Ottawa that have started courses report good reception and attendance record, this has not been the general experience of private industry.

It may be significant that when the Workmen's Education Association circularized seventy firms in the Toronto area advising them of the availability of their course this year, asking them to draw this to the attention of their employees, the Association received no candidates from their circular. One worker experienced in this field of gerontology and in the problems of preparation for retirement, expressed the view that industry in Canada generally has found that when they have tried to set up such courses within their own organization, the attendance has been poor with a high percentage of drop-outs before the end. In organizing the courses for the first time this year Canada Packers sent out invitations to employees between the ages of 60 and 65. Some 21 out of 60 of the salaried classes responded, but only 15 out of 114 hourly employees showed interest. These courses are held after work from 4:00 p.m. to 6:00 p.m.

On the other hand, the courses operated by the UAW in the United States with the automobile companies reported that 86% of those who had taken the courses were satisfied with retirement compared to 70% of those who had not. The three principal benefits from the courses were listed as: 1. Reducing dissatisfaction with retirement; 2. Reducing worry over health; and 3. Encouraging participants to engage in all kinds of activity. (These

figures are not particularly conclusive in the context of our problem. In the first place, they apply mostly to manual labourers, and secondly, it may be presumed that those volunteering for the courses are the men with sufficient initiative and intelligence to make the best of retirement in any case - they have used the courses to help them plan, the need for which they recognize).

Insofar as private industry is concerned, the technique of company-provided courses seems not to be used to any appreciable extent, either in Canada or in the United States, the University of Michigan sponsored courses being the exception. The trend here, if there is any trend, appears to be away from courses and toward more complete personal counselling. The Labour Gazette of September 1971 summarized the subject as follows:

In North America, industry's approach to preparing workers for retirement is confined largely to individual counselling, explanation of pension provisions and, in the case of a worker who requests guidance, a number of interviews to discuss specific problems. There are indications, however, that more companies are beginning to introduce the group-discussion type of program.

If these courses are well prepared, there can be no question that they are of great help to people who are retiring and who may be at a loss to know how to start to prepare. In themselves, they are not alone the answer to the whole problem and it would be the greatest mistake to assume that by setting up a Departmental "course" the problem has been solved. Such courses do not and will not reach the people who have made "work" their exclusive life interest. It is unrealistic to expect a person who has spent a working life of 30-40 years exclusively oriented toward his work, for his friends, his interests and his philosophizing, to have his outlook changed by a few lectures spread over a few weeks before he is actually cut adrift from what has been his almost total "raison d'être" up to then. The problem goes deeper than therapy at the end of a career.

It will be argued that courses offered by each Department have more appeal and will be more effective because the members of each Department have their own particular problems bred by the type of work and life they have had, plus the fact that the companionship of one's own fellow workers on such courses may lead to more productive discussions. I suggest that this argument should be put aside, certainly in the case of External Affairs. For those who are on the non-rotational list, their careers and life in Ottawa will not have been too much different from those of any other citizen, but for those on the rotational list, it is precisely because they will have to meet new situations in retirement that the fellowship of other Canadians attending courses should in itself start the "decompression" process.

Although those courses now being offered by other Departments are during working hours and at no charge to the attendees, it is surely difficult to justify such "largesse". To do so is to offer Civil Servants further benefits at the tax payer's expense, benefits which are not available to most non-Civil Servants. Most courses offered by private industry are at the end of the working day or one hour on, and one hour off. Moreover, when such courses are offered during working hours, this must be an admission that the Department concerned is over-staffed. There is the other consideration which is that, if such courses are offered without cost to the applicant and if that applicant is not prepared to lay out a nominal amount and attend on his own time, surely then he or she is not particularly interested in the content and is less likely to be affected by what the course offers. This may be a cynical approach, but that does not make it unrealistic.

There is also a danger that if each, or many more, Departments in Ottawa adopt their own courses, the quality will almost inevitably decline and the cost of operation increase considerably. There are not many experts available to give guidance on the subjects discussed. Certainly there are not many knowledgeable of the facts who can also develop the subject in such a way as

to encourage active participation by the attendees. So far, in Ottawa, most of these "experts" have given their time without remuneration, but if the demands grow the situation will change.

Furthermore, there is a danger of disorder and duplication that will not reflect favourably on the Civil Service or on the concept of pre-retirement training courses. In Chapter I of the report of the Senate Committee on Aging, when stressing the need for co-ordination of the efforts to deal with the problems of the aged, there is this paragraph:

Some disorder is to be expected in the early stages of any important undertaking, but if this disorder continues unduly, especially in an area as many-sided and complex as that of aging, there is an increasing risk of ineffectiveness and failure.

While these passages were written with particular reference to the "aged", nevertheless surely they are equally valid if applied to those who are about to retire or who have just retired from within the Civil Service generally. Independent actions in the way of group counselling courses by Departments may well create unnecessary duplication, rivalry and discontent within the Departments of Government and dissatisfaction and jealousy within the general public at what may be regarded as over-protection and molly-coddling of Civil Servants.

What seems preferable is to encourage employees to attend such courses some time before retirement, on their own time and at their own expense - after all, they will be in receipt of a substantial severance pay which is hardly ever duplicated in the private sector. It may be significant that in answer to the questions concerning whether those who have retired over the last three years would be interested in taking such a course, 15 out of 24 replied positively, and all of those said that they would have attended after work at their own expense. Admittedly, the only course so far available in Ottawa and open for general enrolment is that given by the Ontario Department of Education,

but with advance planning those based in Ottawa should be able to arrange attendance.

Alternately, it would seem preferable and more equitable to establish such courses in Ottawa and wherever the demand exists for all people after the working day and for a reasonable fee. There should be no difficulty in setting up such programmes, not only in Ottawa, but elsewhere, where numbers would justify them. The Ontario Department of Education has had the experience to run such an operation and the universities should be willing to "weigh in" if the project is broad enough in scope. Perhaps Treasury Board, acting for Government, could work with the provinces and the universities to establish such courses and courses to train counsellors.

R19.

To repeat, however, these courses are only one of the tools that can be used in this whole question of preparation for retirement. It would seem as if they will be useful to those who have had the foresight to think about retirement and to be determined to prepare for it, but in themselves they are not enough. Mr. H. L. Douse, who is one of the prime movers and organizers of the course offered by the Ontario Department of Education in Ottawa, admits that the courses do need personal counselling within each Department to supplement the general information available from the courses. It seems clear that it is this personal counselling that really is at the root of the problem. Depending on how well it is done and with what sense of interest by "management" in its employees, will dividends be gleaned in the way of improved morale within the Department - and, of course, employees materially helped to bridge the gap from an active life to a "second career" in retirement.

Some personal "passport" or "retirement handbook" seems to be a most useful, if not essential, adjunct to any group counselling course or to any personal counselling programme. There is no reason why such a book should not be prepared for general use

R20.



by all Departments, thereby cutting costs of production and eliminating unnecessary duplication of effort. This might well be a co-ordinating role of the Treasury Board or of the Public Service Commission. Attached to this Section is a list of some subjects that should be included in any such book.

As far as the Department and personal counselling is concerned, under Section III (a) I have suggested setting up a counselling office, preferably under a retired senior officer. In Section VIII, I have elaborated on what such an officer should do and suggested therein a procedure for counselling all employees starting five years before each reaches the age of 65.

R21

The commercial counselling offered by Paramount Retirement Counselling of Montreal is undoubtedly well-prepared and managed, but it is expensive and would not supply the personal link that I believe is so essential in any programme developed by the Department.

In summary, I believe that the Department should not develop any group counselling courses of its own; it should support any initiative by Treasury Board to set up courses open to all Canadians; it should encourage its employees to attend these on their own time at their own expense; and that it should concentrate on developing a separate counselling office under the direction of a retired senior officer (if possible), and that through that office, a regular retirement procedure should be developed that will be a very real help to all employees in bridging the gap and inculcating a feeling that the Department is grateful for past services and concerned about his future and that he has all possible help in meeting it. We need not be overly influenced by the fact that Washington uses "the course method" widely. Most of these courses are given for very large numbers, whereas all experts point to the futility of trying to cope with numbers over 30 or 40 at the most. On paper, these pre-retirement training courses being used so widely in Washington may look as if much is being done; in practice, I suggest that it is better than nothing but not as good as it looks.

SUBJECTS THAT SHOULD BE INCLUDED IN CIVIL SERVICE RETIREMENT HANDBOOK  
TO BE ISSUED FIVE YEARS BEFORE RETIREMENT AND AGAIN ONE YEAR BEFORE

1. Name, Department, dates showing taken on strength, struck off strength
2. Superannuation benefits:
  - (a) how calculated
  - (b) survivor benefits
  - (c) built-in cost of living increase - now 2% per year
  - (d) table allowing blanks for highest six years' salary to be entered and calculation of superannuation
  - (e) where to report change of address to DSS and to write for information on superannuation after retiring
  - (f) income tax liability if resident outside Canada
  - (g) conditions under which annuity affected by contractual work for Federal Government after retirement
3. Old Age Security:
  - (a) amount with cost of living increment
  - (b) eligibility for self and wife
  - (c) need to apply six months before 65th birthday and how to apply
  - (d) explanation that with acknowledgment of eligibility will receive document to determine whether entitled to Canada Pension Plan
  - (e) eligibility for self and wife if resident abroad
  - (f) failure to apply allows only one year retroactive payment
4. Canada/Quebec Pension Plan and Unemployment Insurance:
  - (a) explanation of tie-in with superannuation
  - (b) with Unemployment Insurance
  - (c) for calculation of amount and deduction from superannuation, refer to CPP office, Ottawa or to QPP office, Hull
  - (d) survivor benefits
  - (e) effect on payments if gainful employment undertaken after 65
  - (f) explanation that not affected by residence abroad
  - (g) Unemployment Insurance regulations - brief explanation
5. Medical and Insurance Plans:
  - (a) list various plans and indicate in which coverage held by each employee
  - (b) list optional benefits held
  - (c) explanation of which plans carried into retirement, reductions or elimination of premium payments at 65 or changes before

- (d) brief note explaining what each plan covers, where to write for information, where and how to write for information, where and how to make claims
- (e) effect of residence abroad on each plan, how and where to obtain payment for claims

NOTE: "The Passport to New Horizons" has an excellent layout covering most of these medical/insurance plans.

- (f) list of all provincial authorities to whom persons should apply regarding transfer of their Ontario medical insurance schemes if they retire outside that province

6. Severance Pay:

- (a) how calculated and when paid
- (b) how taxed, i.e. as lump sum or as Registered Retirement Savings Plan
- (c) need to sign option under (b) before payment can be made and state when employee will be asked to do this
- (d) advise consulting Trust or Insurance Company to work out relative tax position, lump sum vs R.S.P. - no charge is made for this service

7. List deductions from salary that will continue from superannuation, unless employee wishes otherwise.

8. General paragraphs on income tax, warning that when taxes are deducted at source, this is not usually the total, since it does not take into account total income (i.e. any income arising from personal savings, etc.). Therefore, in estimating income after retirement, calculate total income tax or consult Trust Company if in doubt. Include information on income tax including capital gains tax, when a persons retires outside Canada.

9. Brief reference to inheritance tax, Federal and Provincial, capital gains tax, when husband or wife dies and when both die, if resident in Canada or if resident abroad.

10. Include table to be filled in by employee showing all income now and at retirement, with estimated deductions for tax.

11. Benefits to Senior Citizens: Reference to reduced fares offered by C.N. and C.P. for travel in Canada by people 65 and over and local transportation, theatre, etc. reductions in some cities - apply to Municipal Governments for details.

12. Health: Brief warning about need for annual check-up from 60 onwards. Thorough check-up on retirement. Advice on exercise, diet.

13. Where to retire: Some warning about following the sun - reference to importance of people, familiar surroundings over location. Suggest books to read. Consider costs of living and local tax rates. Advise where to find information, incl. D.B.S. publications.

14. Use of leisure: Warn about need of mental stimulation. If interested, new full time or part time employment. List few agencies - CESO, OXFAM, etc., but say full list of services available on demand.

15. Legal: Advise need to make wills, choosing executors.

16. List of useful reading material available; perhaps send out Royal Bank Letter. "Today is The First Day of the Rest of Your Life" - the only book written for Canada - should be referred to as available on demand.

17. Lists of organizations offering further opportunity for service such as CESO and OXFAM, or that might help in finding employment if that were desired. See Appendices C and D. (There will be others that could be added.)

18. Blank space for superannuation number and name, title and address of contact officer in Department of Supply and Services to whom enquiries on superannuation after retirement should be addressed.

19. Ruled page for listing Social Security number, insurance policy numbers, credit card numbers, etc.

20. A warning concerning security, disclosure of information, after retirement.

NOTE: The compilation of this information for all Civil Servants should not be difficult. Excellent work has already been done by several Departments from which most of the foregoing may be extracted: Department of Supply and Services "Passport to New Horizons"; Marine Services, Ministry of Transport "Planning your Retirement"; Post Office "1971 You and Your Employee Benefits"; Indian Affairs and Northern Development "Pre-retirement Planning and Preparation"; Manpower and Immigration document not available but a most thorough-going analysis of information needed on retirement. These documents are included in the docket "Canadian Government Department and Agency Papers". There are also many useful guides included in "Canadian Corporation Papers".

Sabbatical Leave:

Even though the normal occupations of an employee of the Department should help in developing outside interests, there is still much to be gained by further encouraging diversification during the working career - gains both for the individual and for the Department. Already this is recognized in principle by the assignment of officers to various universities for a spell of duty, and by the arrangements for "Education Leave". However, this last appears to be more directed toward up-grading the employee's educational standards in order to improve his possibilities of advancement in the service.

I suggest that this question be looked at with a much wider perspective. Perhaps it may be argued that this does not really come within the terms of reference of this study, but since it is part of a solution looking at indirect preparation during the whole of one's career, I hope it will be considered seriously in the development of any pre-retirement programme.

In Section II and the related Appendix, reference is made to the way in which XEROX encourages its employees to apply for leave to join various relief organizations outside of the United States, while guaranteeing their promotion rights within the company. They argue that when such people come back they are better employees of the company. I suggest this same technique might be followed by the Department. Most officers, when posted abroad, almost of necessity mainly deal with and come to know their "opposite numbers" in the host country; they have little chance of mingling extensively with the general public. By spending time with these various relief organizations they will learn to look at the problems from "a worm's eye view" - not a bad lesson for a diplomat.

But this principle should be expanded. In Canada, we have few experts in some of the less familiar subjects not common to Canada - archaeology, ancient pottery, etc. In certain countries with a difficult language - such as Japan for example - where the

language can only be learned properly by, say, a two year extensive course while "off the job"; we might combine this in-depth language training with a thorough study of some art form. Supposing an officer showed a genuine interest - the development of Japanese pottery from its earliest forms to the present. He might be given two years to live with a Japanese family, to study the language, and at the same time concentrate on Japanese pottery. When it was all over, he would not only be an expert Japanese speaker, but he would have an insight into the Japanese character and attitudes that could never be developed by normal attachment to the Embassy. Moreover, Canada would have gained an expert in a field where few experts exist - on retirement his services should be very much in demand for the further development of this particular interest. Other forms of this sort of activity of more direct application might be to assign an officer in the same way but to concentrate on a study of the Japanese credit system while learning the language. There are simply two examples used to illustrate an idea - there are, of course, endless opportunities for developing the idea in other fields and in other countries.

R 22

Tapering Off:

Since one of the problems met on retirement is the abrupt change in activity and in status, from one of total occupation and position to one of leisure and non-status, the more this division can be blurred the better. Some companies are already doing this at the executive level and on the work bench; when their people find that they can no longer keep up the accustomed pace, they are given less onerous tasks, sometimes cutting down on the work week, with of course correspondingly less pay.

It is difficult to see how this tapering off could be put into effect in the Civil Service, with its rigid work rules, but perhaps those who do not feel up to accepting the responsibility

of managing a post abroad or a division might welcome assignments on specific research projects, possibly in the historical division, though not necessarily on subjects related to historical research. Such assignments could well be for full time. If a person preferred to further cut his work load, he could opt for early retirement on the understanding that he would continue to work on a contract basis.

R 23



Post-Retirement Liaison:

Most large private corporations have some sort of post-retirement organization (See Appendix B) through which they keep contact with their former employees and through which the latter find some stimulating activities that provide a continuing sense of belonging, note particularly Bell's Pioneer Club. Such elaborate organizations and systems probably would not be supported by the relatively few former employees of the Department, but one of the responsibilities of the "Retirement Office" (Section VIII) would be to establish some form of communication with the Department's former employees, at least to keep a record of their whereabouts, and see that those who wish to receive Departmental Bulletins or press releases do so. The Office might also possibly eventually develop some sort of bulletin recording the doings of the "veterans". This Office might also be the focal point to which all retired persons would be welcomed and to which appeals for advice or help would be directed.

R 24

There may be occasions also when the retired people from External should be invited to attend certain Departmental functions - for example, the opening of the new External Affairs Building.

To facilitate this sense of belonging, all External's people when retiring should be issued an I.D. card certifying their years of service. This would be used to facilitate entry into External offices or Canadian Missions abroad - similar to the card issued

by the State Department, sample included in docket "U.S. Government Publications".

Use of Pensioners After Retirement:

The more extensive and imaginative use of External's people after retirement should be one of the principal components of any retirement programme put into operation by the Department. This is developed in Section III (d).





Up until recently, it has been a generally accepted fact that almost no matter how unsuited to Foreign Service, or how inefficient an employee turned out to be, he or she could and did (and perhaps may continue to do so?) go the full route, even without much promotion, but being shifted from one job to another and from one post abroad to another. If we are to deal satisfactorily with this retirement problem, it is of the greatest importance that it be tackled from the start and not only at the end.

At the present time, officers and staff joining the Department are theoretically subject to one year's probation. This is both unsatisfactory and unrealistic. Even if the option were conscientiously exercised, which almost invariably it is not, it would still be unsatisfactory because it is not possible within a year to judge whether a new recruit is suitable or mentally conditioned towards Foreign Service. He or she is usually kept in Ottawa for at least a year on joining, so that even if his work technically seems sound, there is no way of judging how he and his family will react to Foreign Service - how can he or she adapt to making a new home in a strange land, possibly strange language, no built-in social environment, etc. How will the recruit adapt to working perhaps in a small mission where even as "low man on the totem pole", he may have to shoulder sudden responsibilities that may be bewildering, where he must adapt to the idiosyncrasies of only a very few colleagues from Canada and a few "locals" whose lifestyle may be totally different from anything he has experienced before. How will he react to a "difficult" head of post, knowing that he has really not much hope of relief for at least two years? Perhaps the head of post will be incompatible with the new recruit so that the latter receives a poor rating, yet in fact both may be blameless, for one cannot force compatibility and therefore sympathetic understanding on personalities that may be mutually abrasive.

The solution to such a problem should include:

- (a) The probationary period should be extended to five years.
- (b) The probationary period should be used, and those employees who do not show that they are suited to Foreign Service or whose competence does not otherwise prove up to standard should be forced to resign at the end of or during the understood probationary period.
- (c) Subsequently, if during the career of an employee, should it be shown that he or she is no longer producing efficiently, or proving unable to cope with living and working abroad, he or she should be asked to resign. (Such a "dismissal" for inefficiency clearly would have to include adequate warning and provide an appeal procedure.)

While these recommendations do not directly relate to preparation for retirement, indirectly they do. By weeding out conscientiously during the five year probationary period, and systematically from then on when efficiency falls below normal expectations, the number of times that an employee reaches retirement with an unsatisfactory record of service, and therefore almost certainly with a sense of grievance, will be sharply reduced.

If this breaking down of the traditional, almost iron-clad job security in the Department is somewhat radical, for that reason it should not be rejected. Already in the Armed Services, this principle is standard practice among officer ranks. Also, as reported in Section II, the State Department in Washington follows just such a system, which is not in force in other branches of the Civil Service. Surely, the benefits to be gained by the adoption of these principles would justify any temporary consternation.

R 25



In Section III (a), the suggestion is made that the best way to carry out personal counselling in a systematic and thorough way would be the appointment of a Personal Counselling Officer, who preferably should be a retired senior officer with a good record of personnel management, but who had not been associated with the Personnel Division within the Department. Admittedly, these may be difficult conditions to fulfill since few officers are retiring each year, but it is an important point. It is only when a person has leisure and experience, freed from the built-in discipline of being an employee, that one has freedom to contemplate, appreciate and, most important, to criticize, but with maturity and judgment, and with his own job prospects unaffected by the criticism put forward. If such an officer is not available, perhaps one can be found who would be prepared to take early retirement in order to set up this office under contract - and here the point is important enough to argue with Treasury Board that his salary should be considered without reference to his pension, because it is upon operation of this small unit that the success or failure of a pre- and post-retirement counselling programme depends.

R 26

(a) The duties of such an officer will be:

1. To devise a retirement procedure and to work with the Treasury Board or designated agency to produce a "retirement handbook" for use throughout the Civil Service. Suggestions for the contents are outlined in Section VI under "Counselling". There are many sources that will help in the production of such a handbook, such as:
  - "Passport to New Horizons" - Department of Supply and Services
  - "Planning Your Retirement" - Marine Services, Ministry of Transport
  - "1971 You and Your Employee Benefits" - Post Office
  - "Pre-retirement Planning and Preparation" - Indian Affairs and Northern Development
  - "Instruction Policies" - Manpower and Immigration for personnel advisors and trainers
  - "Retiring Soon" - Ontario Welfare Council
  - "A Guide to Services" - Ontario Welfare Council

- "Your Northern Electric Benefits Program" - Northern Electric Co., Montreal
- "Your Retirement Handbook" - Bell Canada
- "Your Bell Canada Benefits Program" - Bell Canada
- "Your Bridge to the Future" - IBM, Canada
- "Are You Planning on Living the Rest of Your Life" - Globe Insurance Co., Chicago
- "Towards Retirement" - Civil Service Department, London
- "Retirement Planning Program" - R.C.A., New York
- "Transition - a Guide to Retirement" - State Department, Washington

Copies of most of these booklets and others are included in the docket containing various papers related to this report. Much of the content is repetitious but some of the formats are interesting and bear studying for ideas.

2. He will be the one link in the Department between the employee in questions of retirement and the various divisions within the Department. Having set up a procedure, he will be responsible for its execution, though the details required concerning pension, etc., entitlement will continue to be developed by the appropriate divisions.
3. He will set up a library of booklets and information dealing with all facets of retirement and preparation for it, and see to it that those retiring have access to it and know about its contents.
4. He will establish liaison with CIDA and outside agencies that might be interested in the services of retiring officers or staff of the Department. (reference Appendix D)
5. He will also maintain liaison with the universities, CIDA, **CIIA**, Canadian Club and other groups who might be interested in hearing from recently retired officers - a speaker's bureau, in fact.
6. He will set up a register of all retired people and try to keep track of them. He might also consider setting up a "benevolent fund" by asking for volunteers to agree to a certain annual deduction of pay equal to X number of minutes per month - the fund to be used to help any ex-employee in distress, to send flowers or designated donations at time of death, etc.
7. Possibly, as time goes on to develop a regular bulletin reporting on doings of former employees in retirement.
8. Any other activities that may be required to see that in the preparation for retirement, each employee is given all the help and consideration that he may need - short of providing advice concerning what he should do and where he should do it - that is each person's own responsibility.

Q27.

(b) The Procedure:

1. Five years before each person reaches retirement, each person will receive a personal note signed by the Under-Secretary, thanking him for his past services, warning him that under statutory regulations he will be required to retire on (date). The letter will also make clear that a similar letter goes out to each person around his 60th birthday, and that this is not related in any way to his future promotion or to early retirement - it is just a warning so that he will begin thinking about retirement and preparing for it. It should be emphasized that this is not an attempt to interfere in his personal actions or decisions, but that the letter is inspired by the knowledge that experience and researchers show that those that make adequate preparation generally have a happier and more productive retirement.

It would go on to say that the Department has set up a Personnel Counselling Office under (name), a recently retired senior officer of the Service with a distinguished record (!) whose sole responsibility is to see that each person is given full information on pension and other assets to which the addressee will be entitled when he retires. He is also there to answer, or to find where the answer may be obtained, any other questions related to retirement that may occur to the employee. Finally, the letter will say that (name, the Counsellor) is writing to give the factual information on his particular pension etc. position and other information that may be of interest.

This letter would be prepared by the Counsellor, after consulting with the Under-Secretary, to ascertain if he would like to include any particular personal note that might relate to past service together or other circumstances.

2. The Counsellor will send a letter over his signature, referring to the USSEA's letter, and giving as much information as possible, as outlined in Section VI - Counselling, either in the form of a completed "Retirement Handbook" or given separately if such a handbook is not available. It will be necessary to ensure that the addressee fully understands that the pension, etc. information given is based on his present salary, but that this is not meant to suggest in any way that it has any bearing on his promotion during the next five years nor to the actual amount of pension etc. he will receive then. The figures are given early so that from now on he will be able to calculate with some degree of accuracy as changes in salary occur, what he will end up with.

3. This letter will also be accompanied by a copy of the "Royal Bank Letter" attached (or some other equally sound short summary as time develops new sources), and a list of publications available on demand, with particular reference to "Today is the First Day of the Rest of Your Life". (Copies of this should be sent to all of the large mission libraries, at least one library in



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### *Retirement: What Then?*

THE TIME TO ANSWER "What Then?" is before the day of retirement comes. That may not be due until one reaches sixty or sixty-five, but at forty a person should be learning about it and developing the expertise to cope with it and accumulating the necessities to make it comfortable.

When a child arrives at the age to go to school, when the youth enters high school or university, when the man or woman takes a first job and gets married: these are not thought of as age tombstones, but as events in the stream of life; as changes in status. In the same way, retirement is to be looked upon as the beginning of a new life experience.

Every person who retires is a special case, and he needs to give himself personal attention. No formula will fit everyone, but everyone can benefit by applying the experiences of others to his own case. It is sad to see those who reach retirement facing difficulties which they might have avoided by forethought and planning.

#### *A fresh outlook*

It is disappointing when one depends upon the reputation and memories of the past to sustain him in the present. One need not copy youthful ways or act in a skittish manner in order to keep a fresh outlook on life. The fire of youth may be tempered with the gravity of age, but the circumspection of age may be enlivened with the vivacity of youth.

The greatest dividends in terms of retirement success and enjoyment are gained by those who start planning early in life, so that the transfer from their first to their second career is made without anxiety. As one of the youthful discussion group in Cicero's "Essay on Old Age" remarks: "Although we are at present far distant from old age, we have reason to expect — at least to hope — that it is a period we shall live to attain."

The man is depriving himself of much enjoyment and satisfaction who reaches the day of retirement with no programme in his mind except to do a little fishing or take a month's motor trip. It is unwise to trust that chance will turn up some occupation that

is worth while. Just as a corporation sets objectives for production and profits for years ahead, so objectives for desirable retirement should be made and reviewed.

Planning this second life can be done more intelligently than planning the first, because a man is smarter now. The clever thing is to make a list of the things you might like to do when you leave your present job, and then, in your spare time, try them out. It isn't enough to think that you might enjoy working with tools: get some and try them out. Don't just dream of having a market garden: go for a two week vacation in one and spend your time digging, spraying, hoeing and harvesting.

That is planning intelligently. In its simplest form intelligence is the ability to think rationally and to weigh situations. This is usually called "common sense". It is also the ability to plan actions after constructive thinking. It shows itself in the satisfactory way we adapt ourselves to circumstances and make the best use of them.

Putting a plan down in black and white, making a resource list of aptitudes, skills, interests and physical assets, enables a man to assess the degree to which his plan will enable him to achieve a suitable balance among his various needs and wishes, and to fill his life adequately.

#### *Filling the time*

Do not approach retirement with the idea in mind that you are going to play games you are not used to and do not particularly like in order to fill the time and escape boredom. Some people, after a life of heavy or tedious work have a natural desire to rest, and providing they can find some quiet interest to keep their minds alive this may be the wise thing for them to do.

Dr. A. W. Kelly, Managing Editor of the Canadian Medical Association Journal, put it this way: "Relief from the pressures of immediate responsibilities is the first and most agreeable sensation experienced. But this will not persist for more than a few months unless one becomes immersed in a new and relatively



challenging occupation which keeps one's talents at comfortable stretch."

During his working years a man spent a large part of every day thinking about his job, executing it with professional competency, and being pleased when it turned out well. It has become a habit of body and mind. Unproductive leisure will not take its place. An empty spoon will not satisfy a man's need for something substantial.

Satisfying work does not have to be associated with wages. It may consist in the cultivation of special tastes. Some people have developed artistic, literary or scholarly interests which make the leisure of retirement valuable. Perhaps there is a book you wish to write: a novel or an autobiography or a fragment of nature study or a textbook on your trade or profession, or an anthology of the wise or witty sayings you have come across in your reading. Macchiavelli, forced into retirement, had time to write the works that have given him immortality.

### *Social contribution*

As we leave the arena of our active wage-earning life we have a deep desire to pass on our knowledge, experience and wisdom to others. We feel, as Tennyson wrote: "Some work of noble note may yet be done, not unbecoming men."

The fulfilment of this desire brings profound personal satisfaction and the feeling that life has been worth living. It provides a man not only with something to do but with the satisfaction of using his talent to make a contribution to the world after completing his normal work career. Every retired person has developed skills and has accumulated knowledge which could add greatly to the welfare of the community. Now is his opportunity to enrich in some way the culture of his society, so that other generations will receive a heritage that is richer because he lived.

"It is the great reward of losing youth," said Bertrand Russell, "that one finds oneself able to be of use." If material circumstances permit, a retired person may, for the first time in his life, have the satisfaction of spending freely large amounts of time in helping others, a service that can be more valuable than money contributions.

There are opportunities everywhere — in Canada's small villages and in her big cities — for the retired person to concern himself in community development in a positive way: to rejuvenate community living so as to make it a favourable environment for people of all ages. This is a particularly inspiring and acceptable challenge.

To promote community youth activities along educational, recreational and creative lines is to use one's own creative faculties and to maintain a bridge between youth and age.

An outstanding evidence of the satisfaction that is found in helping others is given by the Canadian

Executive Service Overseas (the CESO). This is a non-profit organization operated since 1967 by a group of Canadian business leaders with the support of the Canadian Government through its Canadian International Development Agency.

Ordinarily, foreign aid flows from government to government: CESO gives direct assistance to individual industries which have problems and need the know-how and talent of qualified people.

Requests come to CESO for technical and management assistance from organizations in either the private or public sectors of developing nations. These provide the opportunity for retired Canadians who have technical, professional or executive skills to make meaningful voluntary contributions to the welfare of their fellow men. They serve abroad with no salary. CESO pays the air fare of the man and his wife to the country involved, and the client organization pays the normal living expense of the couple while they are away. The maximum time of an assignment is six months.

Those wishing to volunteer their services should write to CESO, Suite 420, 1010 St. Catherine St. W., Montreal 110.

### *Skills, hobbies and crafts*

Everyone has qualities and abilities that can be exploited with relish after retirement. For example: the executive talent that once served a company may now serve a community with usefulness; the skill with figures that solved financial problems can seize upon the study of mathematics and astronomy, or it may be applied to keeping books for a church or a club or for small firms; the mechanical know-how acquired in a garage or factory will pay off in the leisurely, craftsmanlike making of repairs and gadgets in a basement workshop.

To discover assets of skills and resources that may be expressed in activity at the time of retirement is as exciting as coming across money put away long ago in some disused trunk and forgotten.

Hobbies assumed at age sixty in preparation for retirement are unlikely to be satisfactory or absorbing. To seek for something to do on the day after retirement, and then drive oneself to do it, defeats the purpose of the doing. A hobby is ridden because it is fun. A pastime that was enjoyable for a few hours a week can get tiresome as a full-time project.

Some people divide hobbies into three classes: activities, crafts and collections. Activities include gardening, painting the house, repairing gadgets that go wrong, operating an amateur radio station, bird watching and nature photography. Crafts are numerous: weaving, knitting, quilt-making, model building, arts such as painting, wood-carving, sculpture and photography, handwork in leather, metal, wood and clay, and playing a musical instrument. Collecting includes stamps, coins, medals, matchbook covers and pressed flowers.

A hobby can be made a mind-rouser, not an exercise in cutting out paper dolls. One man devised a way to make stamp collecting a fascinating pursuit. Instead of merely collecting stamps and pasting them in an album, he placed his stamps in a frame around a page and wrote in the middle the history of the stamps. The research led him into interesting and exciting hunts for information.

Many thousands of people enjoy crafts as a hobby or as a part-time or full-time profession. There is a basic need within everyone to create things with his hands. To make something, to discover something, to contribute something: these are expressions of the creative spirit.

Travel for the sake of travel is not satisfying to many. Some people develop interests, such as art, music or the various national cultures, and travel with the purpose of enjoying them and learning more about them.

It is well to make travel constructive by going to places that have interesting things to see, and thus to keep your mind alive. For a nature fan there are associations and groups in every province that have meetings, movies, field trips and summer camps. For the art lover, there is a gallery somewhere within reach, with a display of paintings and sculpture and perhaps lectures and instruction.

### *Be positive*

Retirement does not require us to abandon interests and activities wholesale, but merely to change the emphasis and reassess the values we assign to varied enterprises in our daily lives.

Think of retirement positively. It is not loafing or withdrawing, but participating in life in a new way. It is being your own boss, having work geared to self-satisfaction instead of to a pay envelope, doing things you never had enough time for. It is learning and exploration and new experiences. It can be an exciting adventure of positive living and active contribution.

A person needs something purposeful and constructive. Retirement is a chance and a challenge to find pleasure in new vistas, to search for and find new levels on which to find expression, to look forward. When he was responding to a toast at a gathering of distinguished people celebrating his ninety-fifth birthday, Sir William Mulock, Chief Justice of Ontario, said: "The Castle of Enchantment is not yet behind me. It is before me still, and daily I catch glimpses of its battlements and towers."

As retirement approaches, test your plans: try them on for size and comfort. Anything you decide upon should have been sampled at its worst as well as at its best. The village you visited in summer and fell in love with may be quite different in winter when you have lost the privileged status of "visitor".

### *Some problems*

There are worry-saving devices that are useful

throughout life but are specially needed at retirement age: for example a written record of where important papers are to be found. Some people make a synopsis of documents such as leases, insurance policies, wills, contracts and agreements, and keep this synopsis at home while preserving the papers in a bank safe deposit box.

Another way to avoid trouble is by consulting competent professional people. The decision to sell one's house or other property, to purchase expensive equipment, to enter upon a lease or a contract that places obligations on either party: these are potentially troublesome matters that should be discussed with a lawyer.

Retirement is not made up of dreams. There are realities to be dealt with, and a leading contender for first place is finance.

A pension plan, whether government or company, is not designed to provide a life of luxury, but to help provide a sense of security. Even those with liberal pensions have to think about the financial aspects of retiring.

Most people plan to reduce expenses. Transportation to work, parking fees, gasoline, lunches, entertaining: all these are reduced. Men and women can save on clothing costs. They can save money by doing things for themselves that they did not have time for while they were working, such as repairs and improvements around the house.

Orderly analysis of the post-retirement financial set-up should be made well in advance. The points to consider include: how much income will you need to live in comparative comfort? what does your company or government pension plan give you? have you an annuity programme, one into which you pay now and receive periodic payments after retirement? have you any maturing insurance policies? what dividends will be yielded by investments? if all these do not give prospect of meeting your needs, what can you do to supplement them?

Deciding where to live is probably number two priority on most lists of things to consider. Some couples look forward to a second honeymoon in a new house newly furnished; others decide on a place in the country; others go into an apartment, divesting themselves of the work of maintaining and servicing a house.

When deciding upon a place to live, do not assume anything: find out the facts. List the features that are important to you: climate, friends, business opportunities, transportation, quietness, church and club associations.

A good way to hedge against disappointment with a move is this: take a long vacation in the new location; find out first hand about the weather, living costs, chances for making friends, church and community associations, and activities, paid or voluntary, to employ your time. This plan leaves you the old home to go back to if things do not work out.

The need for suitable housing for retired people is bringing about action to supply the demand. In addition to apartments and houses supplied by private builders, there is a slowly growing supply in some cities of public low-rental housing, co-operatives, and rental housing sponsored by non-profit groups.

The third item on the "must attend to" list is health. Even if a fine disregard for common sense in physical care has marked your pilgrimage so far, retirement is a milestone where an attempt should be made to balance the books.

It would be foolish to expect to be without some of the infirmities that come with the passing years, and it is folly to deny them. One's hair turns grey or disappears; one's walking gait changes; one is inclined to develop round shoulders; one has to take care to eat proper food and to get sufficient exercise.

Few people today would care to resort to the prescription for old age given in a book entitled *Old Settlers' Remedies*, compiled by Marion Robertson for the Historical Society at Barrington, Nova Scotia. It says: "Take tar-water morning and evening. Or, decoction of nettles: either of these will probably renew their strength for some years."

Everyone, young or old, has limitations within which he must live. Even the greatest of athletes cannot flout with impunity his own physical limitations without paying the price.

### *Family and friends*

A man's family should become involved early in his retirement planning, not only because of their affectionate interest but because the plans he makes concern them. They have a stake in the success of his efforts.

There should be agreement between husband and wife on what they expect retired life to hold for them, and what they are going to do to prepare for it. Give and take, mutual adjustment, are as much a part of retirement years as they were of the honeymoon months.

Friendships should be maintained. Men and women are not built to function alone. They need contact with other people, the feeling that they matter, that they like and are liked.

The test for friendship is similarity of interests. Older people can have friendships with younger people, to the great profit of both, if they are genuinely interested in younger people, their hopes, fears, and activities.

But a person must remain an individual. He does not wish to become only a statistic upon his retirement, or an anonymous member of a class called "aged". Success in his job and the winning of status symbols were enough to tide him over his active adult years, but these props to his ego are now removed. It is futile to tell him when presenting him with the gold watch that he has done his share of the world's work and is now entitled to rest. He wants still to be useful and to feel

important; he feels the need for a sense of personal worth.

These he expects to find in his community, but communities differ greatly as to the opportunities they provide and the services they give. Public support is gradually increasing, not for the nursery school type of service — which the retired person does not want — but for friendly involvement in community life and provision of centres for meetings and activities.

Churches, synagogues, and other religious institutions are in ideal position to participate in this kind-hearted work because of their beliefs, their authority in their communities, and their resources of willing workers. A church, a young people's society, a service club or a recreation club may provide facilities, help in planning, suggest projects, assist in transportation, and join with groups interested in crafts.

If there is not a centre of activity for retired people, one may be started with the co-operation of a church, a school board, a service club, or by getting the editor of the local newspaper interested.

### *Don't let go*

The vital thing for a retiring person is not to let go. Life consists in movement. In a world that moves as fast as ours, no one can keep his balance if he stands still. His life must have direction and purpose.

Activity as a primary human need is basic to the retired person just as it is to the youth leaving high school. Both need activity that will give them a feeling of adequacy, accomplishment, and usefulness.

Retirement is a time to take up new and useful occupations adapted to one's capabilities. A slack existence is the opposite of aliveness, and it contributes nothing to our continued need for dignity.

By the time they reach retirement age people have coped with many other situations requiring adjustment: entering and leaving school, the first job, marriage, having and raising children, and departure of the children. Retirement is just another occasion requiring us to adapt ourselves to a new place in the social scheme. Every part of life has its own advantages and disadvantages. Each has its qualities and conditions to be met and adjusted to.

The way to answer "What Then?" with assurance is to start now to notice things having to do with retirement and to find the answers to problems before they start nagging you.

No one need feel apprehensively sorry for himself as he steps out toward his second prime of life. Almost nothing can happen to him that can rival the hardships of body or mind that somehow he managed to live through in his earlier years.

Now, with his developed power of judgment untrammelled by the passion that often afflicts youth, he has the opportunity to display his dynamic maturity, to continue to live meaningfully, and to embrace what can be a most satisfying life.

each area to be so equipped. Ideally, each mission library should have a copy, but since for the moment the numbers retiring are small, many would "gather dust".) The Departmental Library in Ottawa should also develop a library of relevant retirement literature. Some useful books are included in the docket, but many are repetitious and it would be best to concentrate on a few of the better ones. Apart from "Today is the First Day of the Rest of Your Life" already mentioned, "The Retirement Handbook" by Joseph C. Buckley and published by Harper & Row, New York, is probably as good a basic book as any - though the latter chapters deal with retiring in the United States, it is still an interesting and convincing argument for adequate and sensible preparation. "Solving the Problems of Retirement" published by the Institute of Directors in London, is a sophisticated series of essays that is readable and authoritative.

4. Each time an employee who comes within the 60-65 zone returns to Ottawa from a posting or is moved to a new assignment in Ottawa, he should be asked to drop in and see the Counsellor for a discussion, when the subject of retirement should be discussed in general terms, and, if needed, any help given on demand.

5. One year before retirement, a second letter from the Under-Secretary should go out, again expressing gratitude, noting that he has one year to go and reminding him that the services of the Counsellor are available if needed.

6. This will be supported by another letter and newly completed personal handbook brought up to date, together with the OAS application forms and a warning that application should be made within six months of reaching 65. This time the letter will give information re leave credits and suggest that plans should be made to liquidate these before reaching 65, and thus to calculate last date on duty. If abroad, he should be told when he should report for duty in Ottawa, for final processing and he should be given shipping instructions concerning his personal belongings. If he has any in storage, he should be told how long they may remain there at Government expense, and the extent to which the Department will pay shipping costs to ultimate place of residence.

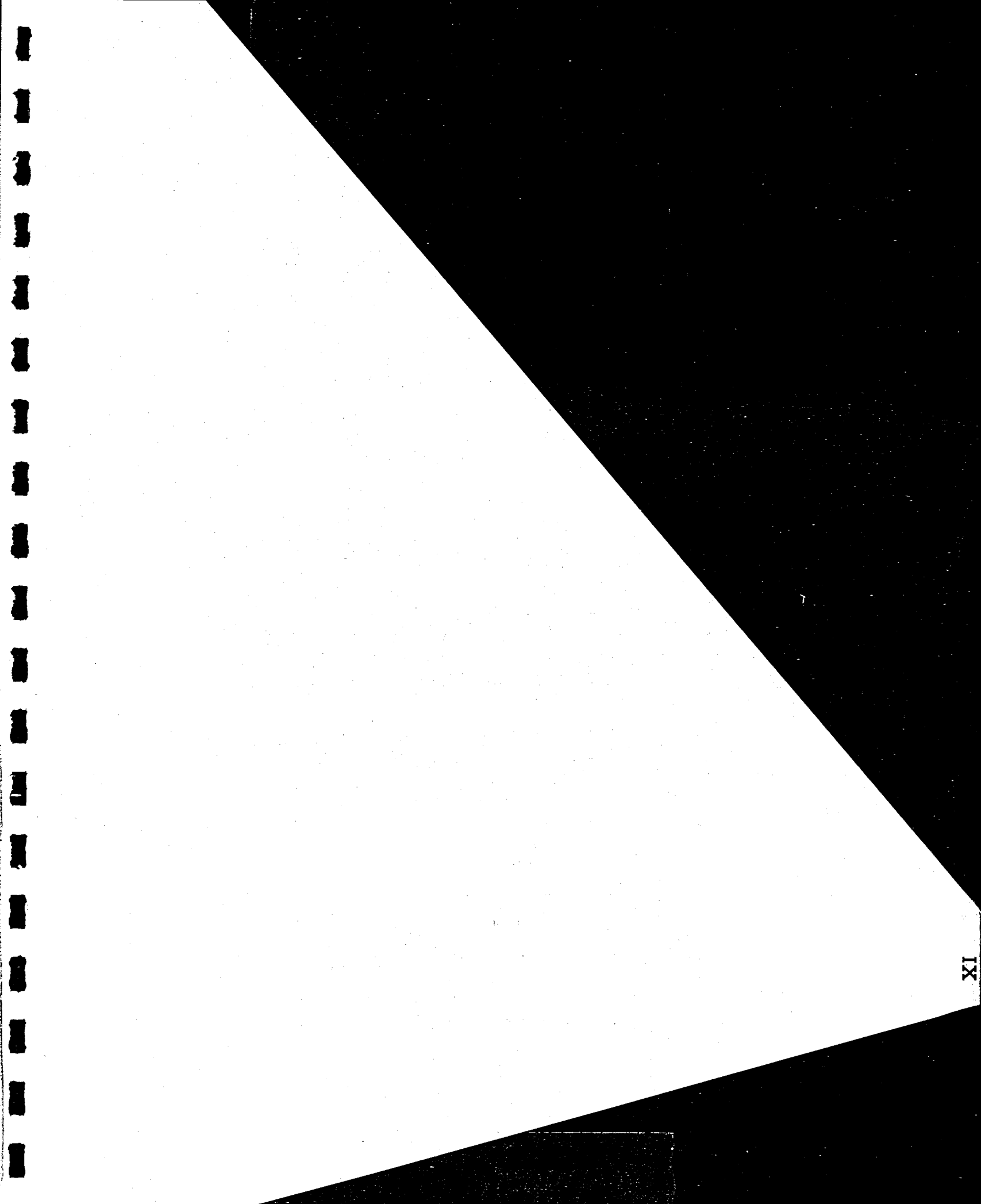
7. At the appropriate time, ahead, to enable D.S.S. to process all documents in time to ensure that pension and severance pay are made on due date, forms CT-400 and TD-1 and option form for severance pay will be sent forward for signature. If in Ottawa, the Counsellor will call the retiree in, explain the forms and stress the importance of signing them promptly. (In the meantime it is to be hoped that procedures will be worked out with D.S.S. to ensure that these payments are made on time, the severance pay cheque being post-dated and handed to Superannuation Branch ready to be handed over on the retiree's last day on duty in the Department.)

8. The Counsellor will "shepherd" the retiree through the interviewing process with different divisions, pay, superannuation, passport, etc. giving him a written appointment schedule. He will also arrange for the necessary medical examination should this be required.

9. Finally, he will see that appropriate appointments are set up with the Minister or the Under-Secretary and with the division heads where appropriate, when his I.D. card together with his severance pay cheque - or notice that it has gone to a Registered Retirement Savings Plan - will be handed over.

10. Before actually leaving the Department, the Counsellor will ask the retiree what documents, i.e. Admin. Personnel Bulletins, press releases, Canadian Representatives Abroad, etc. he wishes to receive after retirement. He will, of course, make a note of his address and ask him to keep the Department informed of any subsequent change in address.

11. Where appropriate he will also ask whether the retiree has any ideas concerning the improvement in the Department's work, or concerning handling of aspects of foreign or commercial policy that he would like to put forward in the form of a paper, or if he would be interested in contract work on some specific subject. Would he like to become involved in seminars dealing with parts of the world, or with subjects with which he has been involved during his career? Would he be interested in giving papers to university audiences, CIIA, or other appropriate bodies?



SECTION IX

CONCLUSION

On balance, after considering the foregoing report, one may draw the conclusion that most of the Department's employees should have enough diverse experience and resources to cope with the "terrors" of retirement. They will need well in advance full information about their financial assets after retirement, to whom to turn for advice, and information concerning new activities that may be open to them. Most of the emphasis on preparation for retirement so far within the Government Service has been placed on the organization of courses at the end of the working career. In the United States Government Service also, this has been where the emphasis is put in practice. For the Department's particular need, I suggest that this emphasis is wrong. We should start at the beginning of the career - particularly since nearly all employees end up as long career employees - to encourage the development of "an adequate personal philosophy of life". We should ensure that the procedures for retirement start at least five years before the event, that they are so designed that every person will be confident that, as he will not only be informed of his retirement assets but will know to whom to turn for clarification or further information, that he will be "handled" as a person, not a cipher, and that when the fateful day arrives, his long service in the interests of Canada will be recognized by some personal gesture, that his experience will not suddenly become a nil asset but will be given an opportunity for further use, and that after retirement the Department will be interested in his fate - should he still desire to maintain the connection.

It is around these principles that I have tried to design a programme for the Department. In reaching these conclusions, I have read a great deal and talked to as many "experts" and personnel managers as practical - and I have drawn on my own

experience after 40 years in the Service and after going through the retirement process. One could draw up all sorts of detailed programmes from the study designed to meet the needs that are well established. There is a danger, however, in trying to follow a too theoretically perfect and complete plan based on an analytical survey; one will ignore the human weaknesses towards "laissez-faire". One could end up with a costly programme tailored for those who would probably make some preparation for retirement in any case. Experience seems to show that most people will not respond and may in fact resent attempts to interfere with what is essentially a personal matter.

The study commissioned and published at the end of 1968 by the U.S. Civil Service Commission, suggests that the growing need for pre-retirement planning programmes is responsive to the increase in the complexity of life in retirement and to the fact that the numbers of retired people compared to those still working are steadily growing. That is so, but it does not follow that "programmes" should be interpreted to mean crash courses at the end. Nor does the study take into account the changing attitudes toward work engendered by the increase in leisure time during one's working life (including a possible shift to a four or even three day work week). This should lessen the cultural or psychological shock between work and retirement. On the other hand, there is no doubt that the increasing complexity of taxation laws, fiscal options now open to people with any sort of monetary assets - pensions or private investments - do point to the need for making information available and advising where professional advice may be obtained, well enough in advance to allow and encourage advance planning.

Further attempts at evaluation of programmes now in operation seems not to be of much use - attempts to do so, which are documented in the U.S. Civil Service Commission's report seem to lead to questionable conclusions. What is needed now is to recognize



(from the evidence presented herein) that the Department does virtually nothing by way of preparing its employees for retirement; the retirement procedures, such as they are, are insufficiently thorough - they do not provide the necessary facts that will help an employee to prepare or to unravel the complexities of retirement; there is a lamentable lack of humanity in the procedures. In short, in devising a programme we are virtually free to start from scratch.

It is almost impossible to foretell how any programme will be received by members of the Department - there is no way this can be measured until something is tried. Under the circumstances, it would seem advisable to move into the field by a process of trial and error. Much money and time could be spent in setting up some elaborate programme that would look good on paper but that could easily develop into another "empire" based on Parkinson's Law.

Because the work of each Department varies, the problems of retirement will assume different emphasis. There is no need for uniformity in meeting these problems or in the application of any broad policy objectives that may be laid down by Treasury Board. The interpretation should be left to each Department to work out in accordance with its own particular needs and circumstances.

The "programme" suggested may be considered to be made up of two parts, the active and direct part that hinges around the establishment of a "Personal Counselling Office" under a retired senior officer with a retired senior secretary to help him, both working under contract. The duties of this office and the procedures for handling people coming to retirement and after retirement are spelled out in Section VIII which is the core of the report.

The second or indirect part, that is no less important, is made up of several proposals that require changes in attitudes as well as working conditions that go back to the time of recruitment. This second part requires no new machinery, but it does propose some fundamental changes such as changes in the probationary period at the start and a break-down in the almost iron-clad tenure. It provides for a radically expanded system of sabbatical leaves, for the tapering off toward the end of careers for those who find the pressures too great, for some sort of post-retirement liaison, and for a much greater use of the talent and experience of retirees after they have retired.

The report also goes into the responsibility of the Department towards its employees, and in Section IV sets out some guides concerning the responsibility. It also gives factual figures of the extent of the problem in terms of people reaching 65 within the next 20 years. The point is made that the relatively small numbers, rising from 13 in 1973 to 64 in 1987 should not be regarded as a measure of the problem; we should be concerned with providing adequate counselling as a means of improving morale. Moreover, it is important to consider also the hundreds of locally engaged people scattered all over the world; if we accept the principle that Civil Servants need guidance and help, so do these non-Canadians who serve Canada loyally and conscientiously. We must, therefore, adapt our policies to meet their needs as well.

In Section III (a), reference is made to the worries engendered by the erosion of pensions (despite the 2% annual cost of living increment) and suggests the Department should support any move to bring into effect the full cost of living adjustment (as is the case for the Old Age Security payments). The same section draws attention to an anomaly in the payment of the OAS to wives and recommends that the problem should be put right with the co-operation of Industry, Trade and Commerce and DM&I - the Departments having the most employees in Foreign Service.

It is realized that the somewhat detailed list of duties suggested for the Counselling Officer, procedures for handling people coming up for retirement and the listing of subjects that should go into a personal "Retirement Handbook" may seem too exact. Any officer taking on the job will naturally develop his own ideas. It is hoped that these suggestions may help in the setting up of the "programme".

As far as costs are concerned, the only substantive recurring costs will be the salaries of the Counsellor and his secretary. These should be set sufficiently high to attract first class people, for upon the way they operate the office will the success of these proposals depend.

In addition to the running costs, the Counsellor should be supplied with an attractive office, well equipped with easy chairs and the appropriate reading material that will encourage former employees to "drop in" and use the office as a continuing point of contact with the Department. R 28

I believe that if these proposals are carried out they will materially improve morale and provide the needed guidance and information that all people reaching retirement do need. The cost will be small and the benefits to both employees and the Department relatively great.

#### DOCUMENTS:

Accompanying this report there are a considerable number of documents divided into various groups, such as:

- Canadian Government Department and Agency Papers
- Canadian Corporations and Institutional Papers (including the University of Toronto)
- United States Government Papers
- United States Universities
- United States Private Industry and Organizations
- British Papers

Among these will be found a great number of bibliographies that I suggest for the moment at any rate need not be given too much attention. If it is found, however, that interest in reading this sort of material develops, these bibliographies will give all the leads that can be digested. There are, however, a number of books that are mentioned in this report which, for the moment at any rate, I believe will be sufficient for our purpose.

Also, among these papers for Canada, United States and Britain, there are a number of programmes illustrating the pre-retirement training courses given by the Government, private corporations and institutions. These include the programmes now being offered by various Canadian Government Departments together with the supporting materials (kits) used in connection with these courses. The United States papers also include a number of programmes used in personal counselling as well as kits handed out by various organizations such as the "American Association of Retired People".

There will also be found a great many pamphlets issued by various authorities in Canada that would be a useful starting point for building up a source of material for the use of the Retirement Counsellor in the Department.

Finally, it will be seen from this material that there is no lack of information on this subject that will be useful for anyone wishing to develop programmes of whatever type in this field or in assessing further what different countries and different organizations are doing already.



CANADIAN GOVERNMENT DEPARTMENTS OR AGENCIES

Canadian Government Departments have only recently become involved in pre-retirement preparation programmes. Three years ago probably no Department was doing anything in this field. Now several have started programmes and the following brief notes summarize the situation.

DEPARTMENT OF PUBLIC WORKS: Started courses in 1971/72 with one course from January to March. This was followed by another during the same months in 1972; as a result of the good response from employees they will have another in 1973 and also a course in French for the Capitol region. In addition, the Department is organizing courses in Vancouver and in Edmonton and hope to do the same for Montreal and Halifax for their employees in those areas. The courses last for ten weeks with two hours in the morning, either 9:00 a.m. - 11:00 a.m. or 11:00 a.m. - 12:00 noon on Thursdays or Wednesdays. These are for employees only, no wives being invited. The only personal counselling is on an ad hoc basis, but the personnel division at Headquarters sends out a warning letter one year in advance of the 65th birthday, and this is followed by another six months later.

DEFENCE RESEARCH BOARD: Started looking into establishing pre-retirement training courses but plans dropped when interested officer retired.

DEPARTMENT OF LABOUR: No current plans for pre-retirement training. Carried out survey of all employees retiring in next ten years and had insufficient response to warrant action; 75 out of 150 replied and of those replying only half were interested - strangely, the survey disclosed that those showing interest were closer to 55 than to 65 years of age. No personal counselling programme in effect.

DEPARTMENT OF SUPPLY & SERVICES: Have produced a kit which contains basic "Harvest Year's Guide to Pre-retirement Training"

and other pamphlets, Royal Bank of Canada Letter, Housing for Senior Citizens (Ontario Housing Corp.), Leisure in Later Years, Planning for the Later Years, Food Guide for the Older Person, The Canada Pension Plan (all four Health and Welfare), A New Law for Consumer Purchases, Consumer's Handbook (Consumer Affairs), Guide to the New Unemployment Insurance (Information Canada), Semi-Private Group Hospital Care, Ontario Blue Cross (Ontario Hospital Association), Ontario Health Insurance (Ontario Health Insurance Commission), Group Supplementary Medical Insurance Plan (Treasury Board), Your Superannuation Plan (Superannuation Branch), Towards Better Health (Quebec Health Insurance Board), Blue Cross (Quebec Hospital Service Association), Disability Insurance (Government of Canada), C.E.S.O., A Full Life after 65 (National Institute of Mental Health, U.S.), "Passport to New Horizons" (particular attention should be given to this. It is an attractive "passport" of a size easily pocketed and of good quality paper, imaginatively prepared and giving much of the information any retired person or person contemplating retirement might need. It will be mailed to each employee retiring between October 1972 and 1973.) A complete list of and description of volunteer agencies in Ottawa; and plastic notebook with pen.

The passport is being revised into two sections, available April May; one will be "Passport to New Horizons" which is a planning guide, and the other a personal pension and asset guide.

Current passport cost is \$600 for 200 copies from scratch, but Personnel Division did the writing of it and Public Relations Division did the art work - not included in the cost. Cost of programme per person \$25 including courses, etc. They also run a seminar that consists of 12 hours of three hours per day for four days (Monday and Wednesday) - see Personnel Letter describing Phase I, II and III. Have 1,200 retiring over the next five

years including early retirement and those reaching the maximum - too many for individual counselling but have counsellors available (three employee counsellors and welfare counsellors). For Phase I, those retiring October 72-October 73, 122 people - the seminar has 60 including wives - but it will pull in anyone for an interview if, when opting for voluntary retirement, it is found that by carrying on (say six months), there would be considerable pension benefits. Of 60 volunteers, about 25 below 60 years of age with 20 + years' service. Developing audio-visual video tapes as a means of coping with the numbers.

MANPOWER AND IMMIGRATION: Have considered the establishment of pre-retirement training system, but have decided against it as a need not warranting expense and man-hour requirement. However, they put some of their report into a manual for personnel advisors and trainers which was a complete summary of pension and other benefits. This received a good response and is now out of print so that no copy was available. It is being re-printed.

STATISTICS CANADA: Started a short course last year. Will repeat it this year with four sessions of two hours, 9:00 - 11:00 a.m. per week, on Thursday. No wives invited. They have from 30 to 40 employees retiring per year. Will send out 35 invitations and anticipate a response from about 25. No personal counselling provided, except on an ad hoc, friendship basis.

DEPARTMENT OF TRANSPORT, MARINE BRANCH: This branch has decided to follow a form of personal counselling based on a booklet that they had prepared for them. (Estimated cost of production \$1.25 per book) This book is being re-written in light of the first year's experience and will be available at the end of this year. It is used by staffing officers in the field who give it to those approaching retirement. They had hoped for a full time advisor, but this was not approved. They hope that if their sort of programme is adopted by the whole Department, it will be reinforced by a full time counselling officer.



INDIAN AFFAIRS AND NORTHERN DEVELOPMENT: They have about 300 coming to retirement per year and possibly because of this relatively large number, this Department together with Public Works and Supply and Services has done more than others in the provision of pre-retirement "courses". They now operate three courses per year and this year they are concentrating these in 12 sessions spread over five full days (2 days consecutive). In addition to Ottawa, they are also running three courses each in the regions of Calgary, Regina and Edmonton and hope to run one in Toronto. They have not provided for any correlated personal counselling. They have published an evaluation of the first course in 1971-1972. They have also prepared an interesting and useful book for use during their course. This includes tables to be filled in by employees covering income planning now and after retirement; expenses now and then; lists of assets and liabilities; and location of valuable papers, etc.

ENERGY, MINES AND RESOURCES: Have recommended "courses" to their "management committee", estimating that it would require one man-year to operate. Recommendation not accepted but they have sent several personnel officers to attend the course offered by the Ottawa School Board. Will also pay for any employee who wishes to attend such courses.

DEPARTMENT OF NATIONAL DEFENCE: For some time, this Department has operated a counselling service under the expert guidance of a psychologist. Their problem is clearly different from that of civilian departments in that they have persons of all ranks, required to retire at relatively early ages. Thus, their counselling is largely directed to finding "jobs" at all levels of education and at varying ages. In fact, it is entitled "Civilian Employment Assistance Programme (D.N.D.)" or, in keeping with current usages, simply "CEAP". This is open to all servicemen within five years of CRA (Compulsory Release Age). Through an arrangement with Manpower and Immigration counsellors of that Department have been designated and trained as military specialists - mostly ex-service men.

Apart from direct counselling, the office turns out regular articles that are published throughout Canada and overseas in the armed forces press services. The articles contain practical suggestions that will help a man to find a new job best suited to his qualifications and cover the usual psychological problems related to retirement from one environment (protected) to civilian unprotected environment.

The counsellors also help the men to prepare career resumés and will run off twenty copies of them for use when job hunting.

For details of this programme, see Canadian Government Department and Agency Papers. Although the thrust of this programme is necessarily different from that required by External Affairs where job counselling and seeking will be well down the list of priorities, nevertheless, I have included these details in order to show how one Department is responding in a practical way to a definite need through co-operation with another Department.

POST OFFICE DEPARTMENT:\* This Department has developed an employee benefit book which is sent out each year to every employee. This describes the various benefits available through the superannuation plan, the Canada Pension Plan/Quebec Pension Plan, severance pay, Old Age Security, Unemployment Insurance, Workmen's Compensation, Medical Plans, leave credits and procedures to be followed in the event of death of an employee. The book also includes a Benefit valuation form which is a do-it-yourself form to help in financial planning for the future. It is made clear that if an employee has any difficulty in understanding any points in the book or in filling in the Valuation Form, the supervisor or personnel office will provide additional help. This Benefit Valuation Form is a forerunner to a computerized print-out that is planned. It is understood that the Department is planning to develop a post-retirement counselling service. Each employee taking the pre-retirement course is provided with an excellent and readable book (the only one of its sort published and written by a Canadian for

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\*See statement "Postal Corporate Policy" attached.

Canadian conditions) entitled "Today is the First Day of the Rest of Your Life". It was written by Robert Thomas Allen and published with the co-operation of the Canadian Life Insurance Association, by McClelland and Stewart. (available in paperbacks at \$1.50 retail)

In addition, this year the Post Office is running a pilot course for 18 employees selected out of the 60-65 year-old group of employees. It has eight sessions, two hours each, in the morning during the work day - no wives. It is also considering the use of professional commercial pre-retirement counselling services such as that offered by Paramount Retirement Counselling of Montreal. (see "Canadian Retirement Counselling Services Available")

TREASURY BOARD: The Treasury Board is taking an interest in this whole subject, apparently becoming concerned that without some sort of guidelines there is a danger of duplication and unnecessary "rivalry". To this end the Treasury Board on the first of November convened a meeting of Departmental officers known to be involved or interested in the subject. A list of those attending is attached as a quick reference to the officers involved and the Departments that have established programmes or have given some thought and perhaps preliminary planning to the problem. Where more than one officer is listed, I have underlined the one who appears to be principally involved.

The "inspiration" for this seminar seems to have been a brief paper written by Mr. L. P. Wood, Pensions and Insurance Division of the Treasury Board, following his attendance at a three day workshop held by the American Management Association in Chicago in June. This report was passed out to those attending the November meeting in Ottawa. It was not used as the basis for discussion. Mr. Wood lists reasons why an employer should provide employees with pre-retirement counselling and also why they do not want to become involved. The reasons, both pro and

can, are related to interpreting pre-retirement counselling as meaning group counselling courses and not a system of personal counselling. He also lists some of the Canadian departments involved or interested in the subject but his list is not complete, specifically not including Public Works and Indian Affairs and Northern Development, both of which have extensive courses and probably pioneered the use of these "formal" group counselling courses within the Canadian Federal Services. Also, no mention is made of the more limited course developed by Statistics Canada.

The Treasury Board broke the group up into several informal task forces to explore further the need, the responsibility, the best way to proceed and the role of the Treasury Board with a view to a further meeting before establishing Treasury Board's attitudes or policy - the Treasury Board officials making it clear that they were seeking guidance from the departments before taking any action or issuing any policy guidelines.

GENERAL: It may be relevant to note that of all the Departments of Government that have gone through a process of retrenchment, only National Defence made any restitution for those who for one reason or another were forced into unexpected early retirement at short notice. At the time of "unification", the Department of National Defence paid a cash bonus for early retirement. I believe that consideration was given to offering earned pensions without actuarial reduction but, as this would not be possible without upsetting the operation of the superannuation plan, a cash bonus, paid out of Department of National Defence budget, was used.

A T T E N D A N C E

<u>NAME</u>	<u>DEPARTMENT</u>	<u>TELEPHONE NUMBER</u>
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J. F. Mitchell	DRB	6-3957
<u>W. H. Northern - CMDR.</u>	National Defence *	2-0244
S. Hamilton	Treasury Board	2-7018
<u>L. Reeves</u>	Public Service Commission	6-4750
G. Burrow	Statistics Canada +	5-6677
J. er Charron	Treasury Board	5-6086
John Whitmore	Energy, Mines & Resources	4-9604
Ron Iles	Supply and Services + 0	5-8381
J. A. Bongiardina	National Defence	6-7145
E. A. McKee	Treasury Board	5-7869
Jacques Charron	Manpower and Immigration	2-9758
Ron Neill	CATA/PAB	2-4412
Ross Wickware	CATA/PAD	6-0254
R. Conway	National Defence	5-6713
C. J. S. Duncan	National Defence	
<u>M. N. Fearn - Mrs.</u>	Manpower and Immigration 0	2-5312
Ian McArdle	Communications	2-4544

Michel Larabie	Public Service Commission	6-4411
Bernard Major	Communications Canada	5-8725
R. Guy C. Smith	External Affairs (RET)	342-2363 Brockville
Clint Fowler	Customs and Excise	2-2337
<u>Greg Lawlor</u>	Public Works +	8-8002
Frank McGuigan	Public Works	8-8002
Murray McCrank	LAND + o	6-7227
<u>Mac Burns</u>	Post Office + o	8-4334
Jim Bradley	Transport, Marine Services Branch o x	2-2679
Bob Thompson	Transport - HQ	5-6145

- + : Departments or Agencies now offering group counselling courses within own organization during working hours
- o = Departments or Agencies that have prepared their own handbooks.
- x = Departments or Agencies that have established systematic personal counselling services.

POSTAL CORPORATE POLICY: PRE-RETIREMENT PROGRAMS

Definition

A pre-retirement program is a series of meetings or seminars designed to provide information that will be of assistance to employees who wish to plan for retirement.

Corporate Policy

Pre-retirement programs shall be made available to eligible postal employees who wish to take advantage of such programs.

Field Responsibility

- a) The Regional General Managers are responsible for either:
  - (i) planning, budgeting, and conducting their own pre-retirement programs, or,
  - (ii) providing funds and making use of pre-retirement courses offered by external resources such as school boards, universities, YMCA's or community colleges;
- b) The Regional General Managers through their Managers of Safety, Health and Welfare or designate are responsible for informing the Manager, Safety, Health and Welfare Branch, where such programs are to be conducted.
- c) The Regional General Managers should ensure that appropriate consultation takes place with union counterparts where programs are arranged for bargaining unit employees.

Headquarters Responsibility

- a) The Manager, Safety, Health and Welfare is responsible for providing assistance and advice on aspects of pre-retirement courses upon the request of the Regional General Managers.
- b) The Manager, Safety, Health and Welfare is responsible for evaluating the results of all programs sponsored within the regions and at Headquarters and for making recommendations for improvements.
- c) The Manager, Safety, Health and Welfare shall report annually on programs conducted.

STANDARDS AND GUIDELINES1. Joint Sponsorship

- a) The planning, organizing and conducting of pre-retirement programs is entirely at the discretion of the Regional General Managers.
- b) One alternative which should be considered is that of sponsoring pre-retirement programs jointly with employee groups.

2. Headquarters Assistance

- a) The following information is available upon request from the Manager, Safety, Health and Welfare:
  - (i) Several complete pre-retirement course packages including steps in organizing a course, session outlines, evaluations, and types of resource people to draw upon.
  - (ii) Outlines and evaluations of courses conducted by Ontario Hydro, Chrysler Corporation and United Auto Workers, Department of Public Works, Department of Veterans' Affairs and Ministry of Transport.
  - (iii) 28-minute movie entitled "The Rest of Your Life".
- b) The Manager, Safety, Health and Welfare is also ready to provide advice to the Regional General Managers and assist in the success of these programs.

3. Eligibility

- a) The earlier retirement planning starts, the more effective it is. Employees 55 years of age or older should be eligible.
- b) Many successful courses include wives of employees.



#### 4. Suggested Session Topics

- a) Financial
  - superannuation
  - Canada Pension Plan
  - Old Age Security
  - investment opportunities, stocks, bonds, mutual funds, savings plans, types of insurance, and annuities
  - budgeting and how to get the most out of your assets and income
- b) Living arrangements
  - what to look for in accommodation
  - advantages and disadvantages of moving, and planning a move
  - rents, housing costs, and taxes
- c) Legal
  - when a lawyer is needed
  - choosing a lawyer
  - cost of legal advice
  - legal aid
  - wills, bequests, succession duties, gifts
  - real estate sales and rentals
  - joint ownership of property
- d) Health
  - aging process
  - check-ups, exercise, diet, nutrition
  - how physical health affects mental health
- e) Leisure time
  - part-time, full-time, self-employment
  - continuing education
  - travel in Canada
  - the Arts
  - community service

#### 5. Recruiting Resource Personnel for Sessions

- a) Retired postal personnel may be utilized. However, it is important that they play the role of catalyst and co-ordinator. The subjects listed in session topics will most certainly require some special expertise which can generally be obtained from within the local community.
- b) Inter-departmental activity is encouraged and may be of great value in some communities.

6. Follow-up to Pre-retirement Courses

Personnel Administrators should be prepared to offer counselling assistance to retired employees at their request on problems arising out of the transition from employee to retiree.

7. Policy

Policy is separate but may be complementary to existing counselling programs of personnel administrators related to employees whose retirement is imminent.

CANADIAN COMPANIES

DOMTAR, MONTREAL: Compulsory retirement at 65. This company has a pension plan which, after 40 years' service, would give a pensioner 67.5% of his highest five years' salary - assuming he started at 25 years of age. If he started at 20 years (45 years' service), he would receive 73.5%. The pension is integrated with the C.P.P. and involves a total contribution of 5% of salary by the employee. This plan was started in 1971 - prior to that the highest maximum pension was about 50%. Starting in January, 1973, an employee may retire at 62 with 20 years' service with no actuarial reduction. Prior to that, any retirement before 65 involved an actuarial reduction of 5% per year. There is now a sliding and sharper scale of reduction down to 50% at 55 years. Below that, no pension entitlement. If a person with long-term service is asked to retire before 65, he may be offered a year's salary either in a lump sum or converted to an annuity added to his pension.

The company has no group counselling course, but it does provide a "do it yourself" kit which is supplied to all employees four years before retiring, but the aim is to go back as far as 10 years. This kit includes a record of important papers and where they are kept, a "planning for retirement" statement, and a monthly budget statement - now and after retirement - together with the Ontario Department of Education booklet "Retiring Soon". There is very little "feedback" from this kit.

In addition, the company has a counselling service available on demand and in the Montreal area, the supervisors are informed of their employees' approaching retirement and they are required to give them an afternoon off and to call them in with their wife for an interview.

Each employee is given a pension statement each year.

There is no formal post-retirement organization.

They have considered the Paramount Retirement Counselling Service but find it too expensive.

Their Personnel Section had devised a 10 session counselling course, but it was rejected partly because it was impossible to give the same service to all employees.

The unions have never discussed pre-retirement training.

ALCAN, MONTREAL: Maximum pension is about 60% of average five highest years' salary. Compulsory retirement for men at 65, women at 60.

They have no group counselling courses, but at Arvida and at Shawinigan they have arranged for their employees approaching retirement to attend CEGEP courses on retirement planning. This is a new development and they may decide to send all employees over 60. These courses are in the evening and the company pays part of the cost. In addition, they use the "Paramount" Services and CEGEP use their material as an aid in their "courses". The Kingston plant is also considering the use of Paramount.

There is no regular personal counselling, though this is available on demand.

An annual pension statement is sent out to each employee and from 55 years onward this is converted to a projection of pension at 65 or 60.

The unions are beginning to talk about pre-retirement.

CANADIAN PACIFIC, MONTREAL: Their pension plan is about equal in benefits to the Civil Service plan.

They have no special counselling programme, and show no interest in group counselling courses. Their operations are highly decentralized and employees may seek counselling from their supervisors. They have had no demand for any formal counselling service.

NORTHERN ELECTRIC COMPANY, MONTREAL: Compulsory retirement at 65 but may retire at 60 with 20 years' service (women 55). There is a somewhat complicated system of calculating pension (which is non-contributory) but it is roughly based on 1% per year on the

highest five year average salary. In addition, there is a voluntary contributory annuity plan available to employees. It is not taken up very often. They have about 105 retiring each year. Previously, their people retiring had an average age of nearly 64 years but this is going down rapidly and is now about 59.

The Company now has no group counselling courses, but they did offer courses for their employees a few years ago when the Company arranged for them to attend courses organized by Bell's Pioneer Club. This had eight sessions from 5:00 p.m. to 7:00 p.m. and cost the employee \$3.00 per head. It was well attended at the start but interest fell off and it was dropped after three years. In addition, the Company produced a series of retirement books that were well and thoughtfully prepared but again this project was abandoned for lack of interest.

However these procedures have now been replaced by systematic personal counselling. At the age of 60 or 55 (male or female), all employees with 20 or more years' of service are called in for a personal interview, when their pension entitlement is explained and they are warned that on the last day of the month in which they reach their 65th birthday they must retire, and also that, at any time until then, they are subject to possible superannuation at the company's request. Then, at one year before retirement they are again called in and the situation is explained once more. In both cases, the employee signs a statement that he understands the position. If an employee elects for early retirement, he may be given (I gather he usually is) his full pension if he is within two years of pension entitlement. (statements attached - Canadian Corporation Papers)

In addition, each year, every employee is given a statement of his present benefits. The Company may reduce this to once every five years, or more often if requested - see form attached which is the same form as used by Domtar. This is supplemented

by a booklet "Your Northern Electric Benefits Program" (also attached) which serves as a useful background for interviews.

SUN LIFE INSURANCE COMPANY, MONTREAL: Compulsory retirement at 65. Pension works out at average of 55% (non-contributory) of average of highest five year salary.

Ten months before retirement, they arrange for personal interview when retirement plans, pension and other benefits are discussed. They will not give advice and they find that guidance has to be carefully handled to avoid resentment - unwarranted interference. Will respond to questions asked by the employee. The employee is given pension calculation in writing at the time of the interview.

They do not think that anyone would respond to courses if offered by the company. Nor do they believe that many would read or use the material prepared by "Paramount".

They have the usual Quarter Century Club to which all employees or ex-employees and their wives belong (retirees do not pay dues). The annual dinner is not open to spouses, but the company pays transport for retirees to attend if necessary. Pensioners also get the company magazine, and at Christmas a cheque of \$25 with a card from the President.

ROYAL BANK OF CANADA: Compulsory retirement at 65. Pension appears to be about as good as the Civil Service plan. There is even a cost of living escalation that provides for \$50 per year after five years.

They have no pre-retirement programme and do not see much need for one as such. However, the executive head or the branch manager calls in each employee within one year of retirement when his pension benefits are fully explained. The bank is careful not to appear paternalistic but is always ready and willing to advise and help when approached by any employee. If a person retires

early or is retired early, he is generally given as a lump sum the difference between his annual salary and his pension at the time of retirement.

PHILIPS ELECTRONICS, TORONTO: Operates independently of its Dutch parent, except for those on "expatriate" (foreign service) list, who come under parent pension plans. Compulsory retirement age 65. Maximum pension is about 40% of the average highest five year salary - 5% contributory. The pensioner cannot be rehired. The Pension cheques are sent out by an insurance company, but the Company keeps in touch with all pensioners and regularly invites them to all company get-togethers, dinners, picnics, etc.

A pension statement is sent out regularly by an insurance company during their working career, but at any time an employee may obtain a statement of his pension entitlement.

There is personal counselling by the supervisor prior to retirement (no regular time set) when the pension plan and the company medical plan (over and above the Ontario plan) is fully explained.

BANK OF MONTREAL: Compulsory retirement at 65. Pension is now based on  $1\frac{1}{4}\%$  per year of average best five years' salary - non-contributory.

They have no particular counselling or pre-retirement preparation, though they stress that any employee may obtain advice and guidance on request.

PRUDENTIAL LIFE, MONTREAL: Compulsory retirement at 60 and 65 (female and male) but voluntary at 55 and 60. The pension maximum works out at 62% of average of highest three year salary, including the C.P.P. supplement. Contributory at 5%. Provision for staying on after 65 (a company decision) with pension, usually in a consultative capacity.

No programme of group counselling or "courses" but each employee is interviewed two years before voluntary retirement eligibility and given an estimate of pension benefits option at retirement. It is also explained that, after 55 or 60, continued employment is at the company's option. Also, each employee is given a "benefits book". They are considering issuing a pension statement five years in advance of voluntary retirement age, since experience has shown that the majority seek advice at that point concerning their pension.

Since the company has experts in legal (wills, etc.) matters, estate planning and financial management, employees may obtain advice at any time and are encouraged to do so.

After retirement, employees with 25 years' service continue as members of the Quarter Century Club which has an annual dinner to which they are invited.

BELL CANADA, MONTREAL: Compulsory retirement at 65, but voluntary at 55 with 30 years' or 60 with 20 years' service. The pension is non-contributory and is based on 1.1% per year of average of best five years' salary. There is a built-in inflation factor of 2% per year, but it is adjusted only every 10 years. In addition, there is a voluntary savings plan which is matched to 1/3 by the company (for each \$6.00 invested, the Company pays \$2.00) up to a maximum of 10% of salary. They have about 66% participation, but only 10% hold their shares to retirement. Their employees have an average of 37 - 38 years of service.

They give a minimum of six months' notice to their employees reaching the 60-20 combination when the pension plan is discussed, but no attempt is made at further counselling unless it is requested. Some of the Bell Systems in the United States have group counselling courses but there appears to be divided opinion, 50-50 concerning their effectiveness. These are held generally



during office hours. They have had some requests for such courses at Head Office but, so far, they have been reluctant to start them until their effectiveness is better established. However in Quebec City, the "Pioneer's Club" are starting courses for those with 21 years' service (club eligibility age) and their wives. These courses will probably be made up of eight to ten sessions and held after hours. If the Quebec experiment is successful, the "Pioneers" hope to develop a progression of courses spread over a number of years - "classes" are to be kept small at 12 at a time.

The Company has produced two books (attached - Canadian Corporation Papers): "Your Retirement Handbook" which answers most conceivable questions by a question and answer method concerning pension entitlements, health benefits and how to go about acquiring the OAS and C.P.P. - a really excellent handbook; and "Your Bell Canada Benefits Program" in which the pension plan, health benefits, etc., are fully explained.

On retirement, employees are given lifetime identification cards signed by the President, which are honoured by all Pioneer Clubs which are in all major centres in North America. Also, concessionary telephone rates that are available to employees are still made available to pensioners. They may use "Club" facilities (always located in Bell offices) and may obtain help in emergencies (i.e. loss of money, accident, etc.). The company has full-time professional counsellors who carry out a regular visiting programme to all ex-employees (80% in person, 20% by telephone). In case of need, the Company will undertake budget formation for their ex-employees, lend money interest-free or even make a grant. At death, the counsellors make sure that survivors are fully aware of survivor benefits - see "Pensioner Contact Form" for details.

The Pioneer Club is apparently well-known as one of the most effective post-retirement organizations in North America. It sees that token gifts are sent to the sick, flowers at death. About

80% of its funds are spent on "fellowship" activities designed to ensure ex-employees are not neglected, provides opportunity for community services, organizes picnics and other get-togethers, golf tournaments, etc.

CANADA LIFE INSURANCE CO., TORONTO: This company has no particular programme except to provide each employee with an annual statement of his pension position. However, being a Life Insurance Company, they have experts in estates and financial management, legal affairs such as wills, so that they are available for consultation. After retiring, pensioners are kept on the company rolls and are invited to all company affairs and sent the staff magazine. They claim that some 80% of pensioners participate in these company get-togethers.

I.B.M. (CANADA), TORONTO: Pension plan is non-contributory, maximum about 40%. Compulsory retirement age 65. About 9,000 employees, some 18 - 20 retiring each year, but rising to a maximum 15 to 20 years hence. They have a general booklet prepared for Canadian employees, but based on U.S. format and content (attached). Retirement plan is based on personal counselling, but they will pay fees for any employee wishing to attend a pre-retirement training course on his own time - few elect to do so. They will also arrange in-plant talks if there is sufficient group demand, but will not compete with available outside courses. (They will also pay education expenses for any employee wishing to take evening courses in any relevant subject during his working career) Some time before retirement, the booklet is handed over, and the Personnel Manager goes over the pension plan and the options, explains that group life insurance up to \$25,000 ceases when the pension takes over. At retirement, pension benefits, etc., are explained when the pensioner is also given a letter

spelling out in detail his pension entitlement. He is given a luncheon by his work mates. After retirement, he receives "Canadian News" - a company paper, until death. The pension cheque is sent out by the company. Arrangements are made for each pensioner to receive a visit by an active employee at least once a year, or some other form of contact is made. I.B.M. Employees' Service Welfare Fund is made up of voluntary contributions from salary based on 15 minutes of time per week. There is little call on this fund so that it contributes to such charities as "United Appeal". Pensioners may return to I.B.M. for advice and help if wanted.

CONSUMERS GAS, TORONTO: Compulsory retirement at 65. Pension plan: 5% contributory which includes Canada Pension Plan contribution; maximum about 40%; about 2,500 employees with some 22-30 retiring each year. About 95% are clerical, service or labourers with Grade 5 - 7 education. Pension cheques are prepared by an insurance company, but are sent out with the monthly bulletin which is a report on Pensioners' Visiting Committee - made up of volunteer pensioners and run by them. Informal personal counselling by the Personnel Manager who has had long service with the Company and who keeps in touch with employees as they approach retirement, warning and counselling. The department heads supply lists of persons due to retire in 10 years' time. Their function also includes hospital visits to active employees and pensioners. On retirement, pensioners are urged to keep in touch and seek advice if necessary. Arrangements are made for investment counselors to talk to all employees who are interested from time to time. They also arrange for this supervisory staff to have lectures by experts on retirement planning and legal matters (making of wills, etc.) from time to time. The Company pays 75% of the cost of evening courses for any employees wanting to up-grade their education - such courses are noted and help in promotion.

T. EATON COMPANY, TORONTO: About 500 per year retire in Ontario. They have a systematic system of personal counselling. They have considered group courses or counselling, but employees are not interested. The majority of Eaton's employees are women; there is a relatively large turn-over, non-unionized. Counselling is based on three interviews.

1. Just ahead of 62nd birthday (retirement on first day of month after 65th birthday). Discuss pension, options available, annuities etc., health problems, old age security, Canada Pension Plan (when and where to apply, Unemployment Insurance relationship). The employee fills in form and is required to sign.

2. About six months before retirement, goes over the same ground but in more detail. Must make a firm decision concerning annuity option, etc. and again sign form.

3. Final interview on retirement, when given final pay cheque and pension entitlement or other problems that may arise are reviewed. They have found that most pensioners resent being asked what they plan to do so that this is not raised unless the pensioner chooses to do so.

They can be re-hired on a temporary basis but are limited to 11 months per year, maximum four days per week.

They have different forms for voluntary early retirement and "early retirement" (dismissal).

IMPERIAL OIL, TORONTO: Compulsory retirement at 65. Non-contributory pension that could give a maximum of 60% - 70% of salary. Most employees retire at 63 but the tendency is toward earlier retirement, both compulsory and voluntary. The Company has the right to "retire" an employee at any time (no tenure). If retiring between 55 and 62, there is an actuarial reduction to pension, but this is a lump sum compensation if forced into early retirement.

They see no obligation to assume responsibility for pre-retirement training, but two years before retirement, they do supply full information about pension, health plan benefits and rights, but will only discuss other matters if the employee asks for

guidance or help. At any time, an employee may ask for a pension statement.

After retirement, the annuants have a self-administered organization, but the Company pays \$5.00 per head for each attendee at their annual dinner. The Company also operates a trust fund that can be used for any pensioners in distress - this is non-contributory.

SWIFT (CANADIAN), TORONTO: Compulsory retirement at 65. The maximum pension possible works out at 39% of average highest five years' salary, less one-half of the C.P.P. benefit. This is non-contributory.

About 1955, the Company operated a thorough-going counselling service to prepare their employees for retirement. This consisted of prodding employees with 20 years' service to plan for retirement. At 60 years of age, the counsellors called in the employee and his wife; then one year before retirement the process was repeated. Following retirement, a system of once-a-year personal contact was maintained. However, this thorough-going personal counselling service had to be drastically cut back when the company went through a severe retrenchment and re-organization programme.

Now that phase is over and they are beginning to re-activate the programme. As a first step, they have made arrangements with the Federal Department of Health and Welfare to provide counsellors who will call on each employee at the age of 60 and 64 in order to inform each one individually and in detail about the Canada Pension Plan and the way in which it is tied into the Unemployment Insurance Plan. They will also answer questions concerning the Old Age Security Plan, although this is fixed and does not need much explanation.

At 64, this counselling will give each employee precise data concerning the amount of Canada Pension Plan they will be entitled to at 65. The Company provides this counsellor - before he calls

on the pensioner - with full information concerning his pension benefits so that the counsellor can work out with him the details concerning the Canada Pension Plan. The Company must send to the Canada Pension Plan officer a paper signed by the employee authorizing the Company to submit pension data to them so that they can estimate the Canada Pension Plan benefit.

They propose to reactivate their previous plan so that when a man reaches 55, he will receive an individual letter drawing attention to the need for advance planning and otherwise counseling him concerning health, housing, etc. At that time, the letter contains no pension advice because of the complicated pension plan.

In addition, at the age of 55, each employee receives a copy of an appropriate booklet describing the problems of retiring. At 60, the Company will make an estimate of the pension he will receive at 65, and ties it into the Canada Pension Plan counseling and the individual discussions that he will have, with his wife present, if possible. At that time, they will be given a booklet that will have their pension data filled in. It will also include a sheet that they can fill in showing living expenses before and estimated after retiring. There will also be a sheet the pensioner can fill in showing income now and after retiring, another one that will show the assets he has now and after he retires; another sheet showing "what I owe" now and "when I retire" (mortgage, instalment payments, etc.) and finally another sheet with a financial summary of assets vs obligations after retiring. This book has brief paragraphs dealing with finances, wills, health, housing, activities and a place to jot down what he expects to do after retiring.

Three months before retiring, he attends a retirement party which is organized and paid for by his colleagues when he receives another booklet entitled "Now that You are Retired". This includes information on leave, last day of work, date he will receive his

first pension, any employee benefit credits and health insurance data. After retirement, he receives a copy of "Swift News". They also have a system of service pins starting at 25 years and they receive a plaque certifying to their service with Swift's. On the last day, he is given a luncheon by the company with his cronies and his supervisor at which time his picture is taken and he is entitled to wander around during the day saying goodbye but he is, of course, paid for that day. After retirement, the supervisor is expected to keep in touch with him even though his cheques are mailed by a trust company. If he is a member of the Quarter Century Club, he would be invited to all functions right through retirement.

In Edmonton, where they have their largest group of employees, they also have an annual retired employees' dinner which apparently is well-attended and appreciated.

CANADA PACKERS, TORONTO: Compulsory retirement at 65. The pension plan is based on 4% contribution, which includes the Canada Pension Plan. Maximum possible pension well below 70%.

This company, in Toronto, is experimenting with two pre-retirement training courses for the first time this year. They have from 30 - 40 retiring each year from their Toronto operation. All employees between 60 and 65 are eligible to attend. Invitations were sent out to 169 employees; 21 out of 60 salaried employees replied and only 15 out of 116 hourly-paid employees answered. The course consists of two hours per week and is held immediately following the close of work. It is for nine sessions.

This is reinforced by a system of counselling that has been operating for some time. Two years before retiring supervisors talk to each employee based on his statement of pension entitlement which he receives each year. At this interview, the supervisor also talks about money problems, wills and future plans (clearly all supervisors are not competent to do this, so that, in fact, it is possible that the interview is probably mostly concerned

with questions relating to pension benefits.) It is claimed that most employees seem to have worked out some plan for retirement by 63 years. Again, at four to five months before retirement, a detailed pension statement is prepared and another interview takes place, when the employee must declare his options under the annuity plan. Each quarter, those retiring are given a dinner when the supervisor is expected to show interest in the employee's plans after retirement. At the time of retirement, given various pamphlets, what to do, where to go, etc., as well as application forms for Senior Citizen's privileges with transportation companies, theatres, public transport, etc., in Toronto. The company used to subscribe to "Harvest Years" for their retirees but gave it up as it was not appreciated and contained much material that is irrelevant in Canada.

After retirement, there is a pensioner-organized club with about 500 potential members in Ontario. The Company provides office space and equipment for meetings and social gatherings in the cafeteria. There is also an annual picnic for which the company provides the food and prizes and lays on transport. There is a Christmas dinner to which pensioners and wives are invited free, while employees pay. There is a Quarter Century Club for employees and pensioners (also do not pay dues). This has an annual dinner and the company pays transport and over-night accommodation for the out-of-towners.

ONTARIO HYDRO, TORONTO: Owing to the strike at Hydro, I was not able to see them, but from other sources I understand that they have operated a successful programme that began in 1968. It is claimed that this has increased performance of their older workers by lessening the retirement anxiety for those over 60. Apparently, ten years before retirement, husbands and wives are invited for a group discussion in the evening or late afternoon, the company paying hotel bills and transport to the site. Again at five years



back, the process is repeated when the discussion is oriented toward information sharing. Finally at one year, a similar group discussion takes place. Meanwhile, there is also a system of personal counselling on an individual basis with the wife being present; this may be held in the office or at home.

On retirement, there is a party at which a representative of the Pensioners' Association welcomes the employee into its ranks. This Association is supported by the Company, which contributes \$1.00 per head for each registered pensioner per year. The Company also provides the facilities, such as office space, for meetings. The Association has an exchange of information centre where data on costs of living in different areas may be obtained and other data that may help retirees in making decisions.

ADDENDUM - The following information was received after completion of this report.

For many years now, our Personnel Officers throughout the province have conducted interviews with employees within the last year before retirement. In a number of cases these interviews include the spouse and extend to counselling when necessary. Full advice is given in helping the employee to decide the best option for him/her in our pension and insurance plans. The employee is encouraged to discuss any retirement plans and those who have not given the matter much thought are urged to give it consideration. In many instances, an excellent book by Robert Thomas Allen, "Today is the First Day of the Rest of Your Life" is handed out.

In addition, group counselling has been considered and as you will see by the following, some progress has been made. In February, 1967, a committee was set up to study and recommend a retirement counselling program for employees of Ontario Hydro. The recommendations in the report were generally accepted but an extensive program has not been made a Commission-wide policy. In the fall of 1968, one of our regions had a complete one-day seminar for employees and their spouses who were 10 years from retirement. Another one-day session was carried out in the spring of 1969 for those who were within five years of retirement. That region will probably begin further counselling programs this coming year. In 1970, another region started a program for employees and their spouses who were five years from retirement. This program continues to be carried out two or three times per year

with a dinner included in the program. A third region started a similar program last winter but extended to those who were within 10 years of retirement. Two or three units in our Head Office are considering starting such a program. I anticipate that these programs will extend quite considerably over the next few years.

CHRYSLER CORPORATION, WINDSOR: Six years ago, Chrysler began pre-retirement training courses using the materials and techniques developed by the Division of Gerontology of the University of Michigan and with the full co-operation of the U.A.W. The course developed has seven sessions of two hours once a week. This is given out of work time, in the evening for the day shift and in the morning for the afternoon shift. All employees with 30 years of service and 55 years old or more are entitled to attend at no charge. They estimate some 15% of those eligible attend. The course covers the usual subjects - Planning for Retirement (run by Union and Company leaders); Medical (the Company doctor deals with medical problems associated with aging, helped by a film, presumably one from the University of Michigan list); Housing (Windsor Housing Authority talks about programmes for Senior Citizen housing, relocating in a new community - also with film); Company pension and benefits (Supervisor Pension Department); Government Pension Plans and Benefits (Officer from Canada Pension Plan and Unemployment Insurance Commission); legal and financial (Manager of Trust Company and lawyer from Essex County Law Society); Use of leisure time (Director of local Senior Citizens Centre and successful company retirees).

Attendees are handed out reading material in advance of the sessions to facilitate and encourage discussion. This material from the Royal Bank, The Sun Life, Department of Health and Welfare, Windsor Public Library, trust companies, etc.

STEEL COMPANY OF CANADA, HAMILTON: For the hourly-rated employees at the Hamilton Plant, the company has a system of personal counselling. At the first meeting, they are given full details of types of pensions available as well as of the fringe benefits, how and when to apply for Unemployment Insurance, Canada Pension Plan and Old Age Security benefits. The employee is told he must apply 30 days before the month in which he plans to retire and that he must bring his and his wife's birth certificate when he makes the application. He is also advised to discuss the pension with his wife and told that he may bring his wife to the next interview. At the second meeting, the pension and benefits are reviewed in full and he is asked if he has any questions about his pension or his plans. The third and final meeting is held on the first day at the beginning of his retirement. There, wills and insurance benefits are discussed and previous information on Unemployment Insurance, C.P.P., Old Age Security and health benefits are reviewed.

MUNICIPALITY OF TORONTO: Compulsory retirement, age 70. Maximum pension about 40%, contribution 6% including Canada Pension Plan. They have about 6,000 employees and about 225 retiring per year (height of bulge). They offer a course prepared by George Brown College, first course started last year. This consists of two hours twice weekly for a total of 12 sessions. It takes place from 2:00 p.m. to 4:00 p.m. with no charge to attendees. Employees within one year of retirement are eligible. Some 65 responded to circular announcements, and they started with about 30 per class, averaging five wives. They have no formal personal counselling system but may decide to send out a pension statement each year.

CANADIAN MANUFACTURERS' ASSOCIATION, TORONTO: They have not considered the problem as an Association. They have no evidence that unions are becoming involved or interested. (Since writing this report CMA was reported to have set up a committee to study the problem. I therefore wrote for an explanation and their reply is given on Page 17a.)

"I was glad to have your letter of December 13, but the information received from the Treasury Board has me mildly confused.

To my knowledge there is no CMA committee established to examine the question of pre-retirement training or counselling. This subject matter would come under the purview of our national Industrial Relations Committee and we would certainly be aware if any sub-committee had been established to review the subject. I am certain that it is also a question which is considered from time to time by the Industrial Relations Committees of our various Divisions, but members of divisional committees would certainly not have occasion to be discussing this or any other subject with Ottawa. As a result, I am at a loss to know what might have been said to officials of the Treasury Board or, for that matter, who might have said it.

As you know, the primary function of our standing committee is to recommend policy positions to the Executive Committee and Council of the Association. Since our member companies perceive the problem and significance of pre-retirement counselling in different ways, and since they tend to look upon it as a localized question, it is probably not surprising to find that the subject is discussed rather infrequently at our meetings. On the other hand, one does find that views are frequently being exchanged on this subject at meetings and seminars held by the personnel associations across Canada.

There has been no change in CMA policy in the sense that we still acknowledge the desirability of appropriate pre-retirement counselling. It might be added that, in the process of keeping ourselves and our members informed, a member of the editorial staff of "Industrial Canada" recently attended one or two small meetings called by the Ontario Government Director of Homes for the Aged at which some aspects of this subject were discussed. Perhaps this led someone to jump to an erroneous conclusion?"

(Signed) W.D.H. Frechette  
Executive Vice-President  
and General Manager,  
Canadian Manufacturers Association

OTHERS: According to a recent article in the Financial Post, Canadian National have taken no action so far, although they have been talking about the problem for some years. Air Canada considered a programme some years ago, but dropped it when a poll of employees indicated a lack of interest. International Nickel Company has no programme although the Union did raise the topic at this year's bargaining. Ford Motor Company of Canada used to run an evening programme at its Windsor plant which covered pensions and company benefits but let it lapse about a year ago - too time-consuming. General Motors of Canada has refused to set up a programme. Manufacturers Life Insurance Company, Toronto, said to be operating a course this year that is organized by the Toronto YMCA.

CANADIAN COUNSELLING SERVICES AVAILABLE

(apart from courses already organized by Canadian Federal Departments or Agencies)

THE YMCA, TORONTO: Operate courses on "Preparation for Retirement" at the Central "Y" (40 College Street) for any person over 40, as part of their regular educational extension programmes. There are 10 sessions, once a week from 7:00 p.m. - 10:00 p.m. The cost is \$20.00 per person and \$30.00 per couple.

In addition, they will also organize courses for industry and are developing such a course for Metropolitan Life in Toronto this year.

They find that, despite talk, industry in general is doing very little; even when courses are organized, lack of follow-up or sufficient efforts at recruitment, attendance is scarce and many fall out before the end of the course.

GEORGE BROWN COLLEGE, TORONTO: (Mr. F. C. O'Toole, Consultant, Training and Industry) The College will organize courses for any industry or government department that wants to set up a programme. The company must provide the space and the trainees who are encouraged to bring their wives. The programmes are usually scheduled for company time.

This is a new development and, so far, for industry they have only set up the programme for Canada Packers where they have an executive group and a union group. The programmes for each group are virtually the same, but they separate them because the questions asked by one group would be of little interest to those of the other. In addition, they have set up a programme for the Toronto Civic Government and they have also co-operated closely with Sister St. Michael of the Office on Aging, Department of Social and Family Services. The cost to the college of a ten-session programme is about \$1,000 but about 70% of this is paid from a Government grant. They are thinking of taping their programmes for TV in order to give them wider coverage.

They give an honorarium, not a fee, to their lecturers on the grounds that these people are highly professional but do this out of a sense of duty. If they were asked to name a fee, they would have to pay much higher than the honorarium.

HUMBER COLLEGE, TORONTO: Offers a ten week course, each session of three hours, in the evening. (University of Toronto reports little interest in this course)

TORONTO BOARD OF EDUCATION: Offers two courses, one at Northern Secondary School and the other at Eastern School of Commerce. These last for 20 weeks in the evening on Tuesdays for two hours. The charge is \$15 per person. These courses are also worked out with the co-operation of George Brown College. They pay their discussion leaders \$24 per session. Their classes run from 40 to 45 persons, including wives - from 60% to 70% come with wives.

ONTARIO GOVERNMENT, OFFICE ON AGING, MINISTRY OF COMMUNITY AND SOCIAL SERVICES: (Sister St. Michael)

The Ontario Government has done an enormous amount of research on the problem of aging, and has included in this the problems of retirement. Sister St. Michael is probably one of the leading Canadian authorities in this general field. There is a long-term study of the aging that started in 1959 with 2,000 men all approximately 45 years old. It will be completed in 1978 when all will have reached compulsory retirement age. No direct counselling courses are run by this Ministry, but it does offer all kinds of help and Sister St. Michael is frequently used as advisor and counsellor for some of the courses. They have compiled bibliographies and all sorts of printed material that would be invaluable for anyone setting up any sort of pre-retirement training courses.

Sister St. Michael believes that courses should be run during the working day and that it is management's responsibility to see that these are available. She recognizes that the trend toward early retirement in industry is not matched by any trend toward preparation for it.

For a detailed report on the Ontario Government's activities, see "Some Findings in Preparation for Retirement Courses in the Toronto District" by Sister St. Michael.

ONTARIO DEPARTMENT OF EDUCATION: Has published a short pamphlet "Retiring Soon" that lists ways of preparing and lists sources of help and consultants on programmes for older people.

OTTAWA BOARD OF EDUCATION: Runs a fifteen-week course that started last year with some 35 registrants. It was evidently well-received since this year, it is trying to cope with 53 (too many) after rejecting another 70 applications for lack of facilities. The fee is \$25 per married couple or single person and the sessions run from 7:30 p.m. to 9:30 p.m. (or later if the discussion warrants it). For the most part, the "lecturers" give their services free. As this course exemplifies this sort of programme, a copy of the curriculum is attached (included in Douse Papers - Canadian Dockets). The course has an excellent record of attendance right through to the end.

UNIVERSITIES: Although some of the community colleges have become involved to some extent with this problem, so far the Canadian universities have done very little. In 1962, McMaster University offered a course "Preparation for Retirement" but it was not repeated - presumably for lack of interest, the university being unable to provide any information. This course was for 10 sessions and attracted some 22 people with an average age of 60. The cost was \$30, but wives were admitted at half price.



The University of Toronto in 1971 organized a course for its own employees that took place at 2:00 p.m. and comprised nine sessions from October to June. In advertising the course, employees were also encouraged to consult a retirement counsellor concerning any specific plans.

The University is developing a series of courses for people over 55 starting next September that they hope will include pre-retirement training. However, they report that attempts in the past to organize such courses have met with very little response.

This lack of interest of the Canadian universities contrasts with the situation in the United States where considerable research has been undertaken and practical methods developed. Probably the lack of development of similar interest in Canada stems from the absence of any demand for such training courses. In discussing the question with Mr. J. M. Beauchesne, Department of Recreation and Chairman of the Council of Research on Leisure at the University of Ottawa, he expressed the opinion that if a demand were to be demonstrated, the university could and would develop courses, not only for those concerned about retirement, but to train counsellors in this field.

WORKERS' EDUCATIONAL ASSOCIATION: They are an international organization that is described in the Golden Jubilee booklet. They obtain financing by a grant of \$5,000 from the Ontario Government and from membership dues of \$3.00 per year, and from fees which they charge for their various sessions in the evening. The fee is \$18 per enrollee, who may bring his wife free. Description of courses is contained in a booklet. They generally get people from 55 years and up. These courses were started last year at the University of Toronto and will be repeated this year, but they cannot use University of Toronto facilities - this they consider a serious drawback as many of their enrollees liked the prestige of "going to the University". While they seem to have

to have no difficulty in obtaining candidates, this year they sent out circulars to 70 large firms in the Toronto area asking them to draw this course to the attention of their employees, they obtained no "recruits" from this endeavour. They believe that this is not so much a demonstration of lack of interest, but because of the name which may have a wrongly-construed connotation attached to it by management.

CANADIAN LABOUR CONGRESS, TORONTO: The Head Office claims to have tried to interest their locals in the question of preparation for retirement virtually without any success (I gather that the CLC itself has not pushed very hard). The one exception is the UAW that has a division devoted to its retired members and has worked with management and the University of Michigan to develop a programme at Chrysler that has been operating for some years. The tendency is to concentrate on negotiating for longer holidays and a lowering of the voluntary retirement age - without any parallel interest in preparing for it! In some cases, unions, notably the USW and INCO have negotiated for some members to be given eight weeks' leave of absence to attend their Labour College at Port Hope. This college gives courses designed to upgrade its members in the service of the Union and the community. It has not done anything in the way of preparation for retirement. According to a Financial Post article, the Director of Education and Welfare of the United Steel Workers has said that pre-retirement counselling is not industry's responsibility. Thus the USW has followed a policy of working with community colleges and social planning centres in order to get counselling programmes started.

ONTARIO WELFARE COUNCIL, TORONTO: This Council has not actually set up any courses for preparation for retirement, but its section on aging has prepared a pamphlet "Education for Retirement" - a

policy statement and suggestions for training programmes. This arose from extensive research on programmes in Canada, the United States, and Britain, and reached the conclusion that concern over retirement was great in all classes - unskilled labourers, store clerks and executives. They recognized that there are two methods - a lecture discussion series and individual counselling. They came up with recommendations that the Council should encourage the use of both methods; that because of trained leadership and better content, universities and community colleges should develop such courses, that the Council would co-operate with the Ontario Office on Aging, universities, community colleges, employers, labour unions, in sponsoring model demonstration discussion courses (apparently not carried out). In addition, the Council operates a number of programmes dealing with the problems of the elderly, including those of early retirement. They are also co-operating with the Ontario Ministry of Community and Social Services in a survey "Opinions About People" that should give a scientific view of attitudes toward older people and retired people.

There are two main points about the work of the Council: first, that they could and would be of great help in providing assistance in setting up any sort of counselling programmes both by providing advice based on experience and in providing useful literature, e.g., "Guide to Services for Old People in Ontario"; and secondly, a retired person might find that the Council offers a fascinating opportunity for voluntary work on behalf of retired or about-to-be-retired persons.

SENIOR CITIZENS' FORUM, MONTREAL: This organization is funded by the United Federation Appeal Fund, and hope for support from New Horizons' programme. They also have a nominal fee from those of their members who can afford it. They have had some experience in preparation for retirement courses, and developed a manual for

"Pre-retirement Education of Older Workers". They will help in setting up of any such courses by preparing the material and help in rounding up speakers. However, although they co-operated with Bell Canada and Northern Electric some years ago, at the present, I could not find that any companies are using their services in this respect.

PARAMOUNT RETIREMENT COUNSELLING LTD., MONTREAL: This is a commercial counselling service, very similar to several organizations in the United States, which is just beginning to get under way in Canada. It provides a personal counselling (answering) service to employees for whom the employer takes out a subscription. This involves the distribution of 20 booklets, one every quarter for five years before retirement, which is distributed by the employer. After retirement, a monthly newsletter is sent out which goes with the monthly pension cheque. (Would this be possible with the Department of Supply and Services sending out all pension cheques?) The booklets are well written and illustrated and the information kept up to date. The fee structure and full information about the operation of the system and copies of the booklets are contained in the folder.

No list of subscribers was available but I was able to confirm that Alcan is experimenting with the service at their Arvida and Shawinigan operations in co-operation with the CEGEPS. It is also claimed that the Governments of Alberta, British Columbia and some Federal agencies are considering it - such as the Post Office.

The cost is spelled out in the brochure, but there is a minimum annual charge of \$750 with a sliding scale of \$125 per month per person (less than 50) to \$60 per person for 2,500 and over.

LIST OF OTHER POST-RETIREMENT ORGANIZATIONS  
THAT MAY BE OF INTEREST TO RETIRED PERSONS

Literature concerning these organizations is included in a folder marked "Canadian Corporation and Institutional Papers".

1. United Senior Citizens of Ontario, 105 - Fourth Street, Toronto
2. The National Pensioner and Senior Citizen Federation, 127 - Sixth Street, Toronto

There are also other provincial organizations in British Columbia, Alberta, Manitoba and New Brunswick. These organizations appear to be inter-related under the National Federation. They are devoted to the interests of pensioners and older people. The Ontario organization publishes "The Voice" which reports on new developments and lists the associated clubs throughout Ontario - nearly 500. The municipalities will also be able to advise of any Senior Citizen clubs in the area.

3. Forty-Plus of Canada, 250 Bloor Street East, Toronto  
An organization started in 1971 to provide career counselling and education for middle-aged and over executives looking for placement. There is a fee based on \$200 for unemployed executives - defined as 40-60 years (60-65 eligible but not encouraged) and who have earned \$15,000 or more with a good record and to have had responsibility for policy and supervised staff - plus \$175 when placed. During the period of search (said to average nine weeks), each member is expected to put in 2½ days per week in the organization's office.
4. Canadian Executive Services Overseas, 1010 St. Catherine Street West, Montreal

Needs no comment except to say that there does not seem to be any system whereby CESO is made aware of retired External or Trade and Commerce officers or of their qualifications. From talks with the officials at CESO, it is clear that they would welcome some sort of "drill" whereby they would be kept informed of available officers. Granted that for the most part CESO is looking for people with technical managerial skills - how to run a super-market, improve foundry techniques, etc. - there will be occasions when an ex-foreign service officer could be of help either because they may know a particular country well or because a country may be looking for someone able to help set up some part of a foreign service or both.

5. OXFAM, National Office, 97 Eglinton Avenue East, Toronto  
Projects Centre: Prof. Theo L. Hills, McGill University,  
3437 Peel Street, Montreal

Because OXFAM deals with helping people to develop, mostly in the developing countries, service in OXFAM in Canada in one form or another might well appeal to officers and staff retiring from External. There are offices in most of the major cities of Canada. The work here is principally fund-raising. Field Directors who submit proposals for adoption have generally been appointed from England and may be younger than most retired people. However, this need not be so, particularly as I understand the trend is to appoint local people as field directors, with OXFAM supplying inspectors to act as general counsellors. In addition, the Canadian Projects Committee under the Chairmanship of Professor Hills, McGill University, should be able to use retired officers with experience in developing countries. In any case, there should be some sort of regular liaison with OXFAM and Professor Hills.

6. Unitarian Service Committee, Sparks Street, Ottawa  
Here again, liaison should be established since the work of this Committee might well appeal to retired people from External.
7. Federal Superannuates' National Association, 6511 Duart Road, Victoria. Fred W. Whitehouse, National Secretary-Treasurer  
This Association was founded in 1963, yet I do not suppose most of the people in External know of its existence. It is concerned with the welfare of retired Federal employees and their widows. They claim to have branches across the country. This is an Association that people retiring from External might want to support. In any case, its existence and objectives should be drawn to the attention of each person retiring, without in any way pressing them to join.
8. Second Career Consultants      30 Eglinton Avenue East, Toronto  
Rent an Executive  
These two organizations are "billed" as retirement advisors. They appear to be a clearing house for companies looking for executives at short notice. The costs in this case are borne by the company. People retiring who would like to find other employment might like to know about these organizations.
9. Pensioners Concerned (Canada) Inc., 51 Bond Street, Toronto  
Principally concerned with protecting pensioners from the escalation in cost of living through greater tax exemptions for pensioners. It might be described as a self-help, lobbying organization. People retiring should be informed of its existence.

10. CIDA: Presumably some officers might be useful to CIDA, but at the moment, no guidance is given to people retiring regarding CIDA's interest. Some definite understanding with CIDA should be worked out so that interested officers retiring from External would know to whom to apply and conversely, CIDA should be made aware of the "talent" coming off the "assembly line".
11. U.N.: Similarly, there must be many U.N. agencies where the experience of External officers would be useful. Again, some understanding should be reached with the U.N. so that both the organization and the retiree will know what the opportunities are and where to apply. Note that the State Department in Washington has a separate U.N. Recruitment Office.

WHAT IS BEING DONE IN BRITAIN

THE CIVIL SERVICE: No formal pre-retirement training courses, but a few departments (not the Foreign Office but the Department of Overseas Development) have made experimental efforts at running informal courses organized on a voluntary basis by training officers. They usually take place at the end of the working day. The Civil Service Department has not agreed to any expenditure for this purpose, nor has it authorized time off - funds allotted for "official training" may not be used for pre-retirement training. These informal courses usually involve lectures and discussions on money (superannuation, investment, national insurance pensions and supplementary benefits), health, safety in the home, work (voluntary and paid), leisure. Policy at the moment is limited to some pre-retirement guidance which is interpreted as the Departmental welfare officer offering every person an interview some months before retirement. Also, they have prepared a useful and attractive booklet "Towards Retirement" which is issued to all employees three years before they retire as a supplement to the interview.

The official view toward this question is that, for some time, other training commitments preclude the introduction of formal pre-retirement courses. So far, there is no evidence that public opinion and good employer practice has made a case for their adoption.

At first glance, the Civil Service pension scheme is much less generous than the Canadian, but there are many important compensations. It may be relevant to give a brief outline of it.

The Civil Service pension scheme provides for a maximum of 45/80th of the highest salary during the last three years of service (1/80th for each year of service), but, in practice, this may generally be one one-half - particularly for those in the senior grades. However, this relatively low pension (i.e. to Canadian practices) is non-contributory except for 1% to provide the 50%



survivor pension to widows. There is also a full, built-in cost of living increment, provided the index rises by 2% or more during the previous year. The lump sum payment is 3/80th of the last year's pay for each year of service, so that the total lump sum may be 135/80th of the highest salary in the last three years of service, and this is tax free.

There is no compulsory retirement age, but a voluntary age of 60 when anyone may retire and receive an immediate pension and lump sum. Service beyond that age is at the discretion of the Government. After five years' service, anyone may retire and receive his pension and lump sum when he reaches the age of 60. In practice, many civil servants serve after 60 and a few after 65. However, it is very rare for people in the higher levels to serve beyond 60. Until 1972, people in the Foreign Service with service in unhealthy posts could count 1 1/2 years per year of service, and this also reduced the permissible retirement age to as low as 55. This has now been changed, although those with this sort of service prior to June 1972 may still claim the extra service.

Civil servants who are re-employed on contract work by their Government may negotiate terms of payment without any reference to their pension or previous salary. It is only if they are re-employed in "an office of a public department", in other words taken on strength, that their pension is affected in any way.

"Towards Retirement" has a detailed explanation of the pension scheme. However, the section on pensions and lump sums is out of date, but the amended section is attached to the sample included in the docket "British Papers".

PRE-RETIREMENT ASSOCIATION: LONDON: A central servicing body with a primary aim of persuading every working person and spouse to prepare for retirement in the same way they prepared for a working life. If possible, they work through existing organizations,

but also innovate where necessary in the development of conferences and seminars, promotion of publications and advisory services for members. Their membership includes 22 Government Departments. They were involved in producing "Towards Retirement", and in advising on the running of the pre-retirement courses for those departments that have started this on their own. They report that the residential courses run by the Seafarers' Education Service and College of the Sea, London; by the Warden of Debden House at Loughton Green, Essex; and by the Centre of Adult Education at Knuston Hall, Irchester, North Hants. have met with great success.

One of the Association's bulletins published in 1971 describes the situation in Britain and gives guidance on how to develop graining courses. They conclude their paper with the following paragraphs which sum up the "Status of the Art" in Britain:

Apart from the realization that preparation for it is a matter of common sense, there are no panaceas or prescriptions for a successful retirement. It's an individual responsibility in which each person will have his or her own variant of the different problems. And each organization will have its own characteristic way of helping them to face its challenge and realise its opportunities - whether it is an enlightened management recognizing a responsibility towards long-service employees - or a Works Council aware of needs unmet - medical practitioners in the industrial, public or private sector who realise that the best way to deal with geriatric problems is to prevent them developing - educational centres which can not only lighten the transition but illuminate its possibilities - or voluntary organizations such as church groups, Rotary Clubs, women's organizations - or special associations set up specifically to explore these new needs.

There are already over 20 (now 26 or more - ed.) such organizations in the United Kingdom and, as with all British institutions, there is an immense variety in their origins. Some spring from the active interest of individuals on the brink of their own retirement, some from the desire of educational bodies to meet a foreseen need; others from

voluntary organizations only too aware of the disadvantages that can overwhelm the elderly; and yet others from the direct concern of both sides of industry. They draw their finance from a similar variety of sources; from grant-giving bodies geared to local needs, from industrial subscriptions, from fees paid by students, or maintenance given in kind, such as the provision of a secretariat, the venue for courses or the services of the discussion leader. They are all concerned with alerting individuals in the fifties to the wisdom of preparing for the next two decades, and as this becomes a common pattern there will be a change in the pensioners' requirements of the community.

In addition, they have published a list of pre-retirement organizations (26) that are mostly municipal or county bodies, (described in Chapter 12 of "Solving the Problems of Retirement", published by the Institute of Directors). Also, the Association has put out a series of booklets useful for any organization interested in organizing courses - "A Brief Guide to Pre-retirement Advisory Courses"; "Synopsis of Six Main Topics at Pre-retirement Advisory Courses"; "The Years Still Unexplored". The Association's literature referred to above is included in the docket, "British Papers".

THE INSTITUTE OF DIRECTORS, LONDON: This Institute over ten years ago began to recognize that retirement now with the acceleration of modern business life throws up many problems for directors, and the problems that are presented to developed countries by a growing percentage of retired people in the community. By 1980, Britain will have eight million retired people with the proportion still rising. The Institute has a Retirement Advisory Bureau, founded in 1962 as an introductory bridge between retired members and local voluntary organizations. They see retirement as involving directors in three ways.

1. To make wise and early plans for retirement.
2. To encourage employees at all levels to prepare and to encourage the provision of training courses by large firms or by local education authorities for smaller firms.

3. To persuade the community to recognize the needs and potential of retired people.

As part of the endeavours, they have published a useful booklet "Solving the Problems of Retirement". This is a series of papers written by people with experience in this field and contains many useful observations on the extent and variety of the problem.

THE CIVIL SERVICE COUNCIL FOR FURTHER EDUCATION: This is an educational advisory council that does not itself provide education. It promotes and co-ordinates further education for members of the civil service and in that sense prepares for retirement by trying to broaden their interests during their working life. They pay visits to different Departments and arrange for talks to civil servants explaining how the Council works and advising on where and how to pursue courses in further education - including pre-retirement courses. They publish a variety of booklets and pamphlets dealing with educational opportunities and make available literature published by educational organizations, as well as "Venture", a news sheet issued two times a year. NOTE: "Further Education Opportunities - A Guide for Civil Servants", published by the Council. Also, "A Guide to Voluntary Service", a useful book for retired civil servants and "Flood Light - A Guide to Evening Classes" published by the Inner London Education Authority.

SEAFARERS EDUCATION SERVICE AND COLLEGE OF THE SEA, LONDON: This organization has been operating one course a year since 1965. This is a residential four day course open to 30 merchant seafarers of any rank within five years of retirement or those recently retired. No charge is made to delegates, but shipping companies who send delegates are expected to pay £7 per head. Sometimes delegates come during leave ashore, but in most cases they are sent by their employers who pay the transportation costs.

The organization recognizes that they only touch a small number of men retiring each year, but they are limited by their facilities - moreover, many seafarers and their employees are simply not interested. In the beginning, the course was under-subscribed but now it is over-subscribed. They are satisfied that practically all who come to the course draw benefit from it. Some nominated by their company in the early days of the course came thinking they had nothing to learn but went away with a different attitude. They also recognize that "instant conversion" is not to be expected, but hope that even for those who have not developed outside interests, some ideas may be implanted that will help them in retirement. Apart from the discussions laid on for the course, much is gained from the group living and discussing their problems together.

THE GLASGOW RETIREMENT COUNCIL: This is one of the many Councils that came into being with the establishment of the Pre-retirement Association in London in 1964. From its annual report, it would appear that it has been one of the most successful and vigorous of the organizations set up in Britain. Apparently its work has attracted attention from all parts of Britain, from Australia, Belgium, Danada, Denmark, France, Norway, South Africa and the United States. It has also been featured in Radiotelevisione Italianae and on Belgian TV.

The Council is involved in operating (a) "day release courses" where employees are released by their firm for a full day once a week for seven weeks. These are held in five Colleges of Further Education in the Glasgow area and open to all classes of employees; (b) afternoon "release courses"; (c) evening courses for Civil Servants (there are none during working hours for Civil Servants); and (d) "living in retirement" courses for those who have retired. The record is impressive. Starting in 1959-60 with three day

release courses, these numbered twenty-six in 1970-71 in the Glasgow area alone, catering to 480 people. In the same year they were involved in three afternoon release courses in Edinburgh and Dunfermline; one evening course for Civil Servants in Belfast, and six "living in" retirement courses, two in Glasgow and the others outside.

Altogether in Scotland, the Council has been involved in starting and promoting 229 courses since 1959, including 18 evening courses for Civil Servants, divided between Edinburgh and Glasgow. These include courses worked out with the Workmen's Education Association and other county Education Committees. While most of the Council's work has been with country, municipal and education bodies, in 1970-71 they set up courses for two large employers in Glasgow within their own premises.

In addition to this work, the Council operates crafts and hobby centres, encourages and helps in developing Retired Employees' Associations and operates a part-time Employment Bureau.

For none of these services offered to people approaching retirement or for those who have retired does the Council charge the employee. It is supported by grants from the Scottish Education Department, Glasgow Corporation and five County Councils, the Glasgow Educational Trust and a Bequest Fund and finally, annual contributions from industrial and commercial firms. Their annual report lists about 100 employers, mostly large corporations (e.g. British Steel Corp., Bryant & May, J.&P.Coats, Dunlop Rubber Co., English Electric, Goodyear Tyre, IBM (UK), ICI, Lever Bros., etc.) and also the Department of Industry & Trade, South of Scotland Electricity Board.

The Council has made no analysis of the people attending these various courses but they think that about two-thirds are senior, skilled manual workers and the balance divided between

unskilled and clerical and administrative types. The Council has come to the conclusion that by far the most effective type of courses are their "day release courses". They do not think evening courses for men and women are very satisfactory; coming as they do at the end of a working day for people mostly in their early sixties, they find concentration is difficult.

LONDON BOROUGH OF NEWHAM, EDUCATION COMMITTEE, LOUGHTON, ESSEX:

This organization has been running residential courses for nearly two years. They are open to all applicants but in practice, because firms will not release their employees until near retirement, and people tend not to face the problem until they are in mid- or late fifties, most of the trainees are nearing retirement. Most of the attendees are sponsored by their employers, particularly when these have been "local government authorities". Originally the courses were for 2½ days and the fee was £4.50 for tuition, board and lodging. Now the course has been extended to four full days at a cost of £8.60. Applicants are expected to fill in a questionnaire giving information about their attitudes, their financial resources in retirement, what they hope to do, facilities available for retired people, etc.

KNUSTON HALL, RESIDENTIAL CENTRE FOR ADULT EDUCATION, IRCHESTER, NORTH HANTS.

One of about three dozen "colleges" in England set up for short courses in adult education - mostly established in "Stately Homes of England". Knuston Hall includes in its calendar for this year one three day course at a cost of £6 for residents and £4.50 non-resident.

They have been running courses since June 1962 for about 20 - 30 at a time and try to have a mix of "retired" and "about-to-retire" people. Since then they have run courses of varying length - probably only one a year. Most of the people attending do so on their own; most employers evidently refuse to release

their employees so that the delegates are all reasonably resourceful people with a positive outlook toward retirement. They believe that the best feature of their course is the residential aspect and while each session (normally three per day) has a speaker, emphasis is on discussion among the delegates.

GENERAL: A few companies have experimented with some success with setting up separate companies to manufacture some light components that do not require heavy work. This is staffed entirely by elderly workers who physically cannot continue in their normal factory employment. Thus, these people may extend their useful working life to the benefit of both employer and employee.



WHAT IS BEING DONE IN THE UNITED STATES

UNITED STATES GOVERNMENT AND UNIVERSITIES: It would appear that the United States Government's principal focus on the problems for the aged is centred on "The White House Conference on Aging". This has now been organized into 14 subject sections, to which technical committees are appointed by the Secretary of Health, Education and Welfare. One of the sections is "Retirement Roles and Activities". A copy of the "Recommendations for Action" from the 1971 Conference by this section is included in "U.S. Government Publications" attached to the documents accompanying this report. Recommendation III is of particular interest:

Society should adopt a policy of preparation for retirement, leisure and education for life off the job. The private and public sectors should adopt and expand programs to prepare persons to understand and benefit from the changes produced by retirement....

While retirement is both an individual and total community responsibility for providing preparation-for-retirement programs during the working hours....

Pre-retirement education and counselling should be provided locally throughout the Nation by trained instructors, starting at least five years before normal retirement age.

Special courses for those nearing retirement are urgently needed.

According to a survey undertaken by the American Association of Retired People in 1967, 17 "units" of the Federal Government had group training sessions or had arrangements for providing specialized counselling services, 18 "units" had less formal group sessions on an ad hoc basis as need arose or else had general counselling services provided by persons trained on civil service retirement benefits. Significantly, no unit reported receiving help from the National Association of Retired Federal Employees, but did recognize help from the American Association of Retired Persons, the University of Chicago and the University of Michigan.

Since then, the U.S. Civil Service Commission, commissioned Dr. Daniel Sinick of George Washington University to do a survey of "Retirement Planning Programs" within the Federal Service. This was published in 1969. It is an in-depth study of the attitudes of individuals toward pre-retirement training. As a result of this survey the U.S. Civil Service Commission put out a "Guide Lines Bulletin" (attached), which recommended that retirement planning programmes should be increased, and made several recommendations concerning the nature of the programmes and how they should be organized. In addition, the Civil Service Commission every two to three years sets up courses for training counsellors for the different departments and agencies.

It is difficult to say precisely which United States Government Departments or Agencies now have programmes, but probably most have. Specifically, the State Department has its own courses and also a division that is exclusively concerned with retiring employees. The CIA is said to have one of the most comprehensive programmes, starting with people in their fifties, which includes direct personal counselling. The Social Security Administration also has a most elaborate system of group counselling that is operated by a separate division. This programme started 15 years ago. They conduct a series of courses throughout the United States that consist of 11 sessions from 9:30 a.m. to 11:30 a.m. and spread over about two months. Anyone over 45 is eligible, but because of the numbers involved, those nearest retirement are given preference (they have some 55,000 employees with about 5,000 retiring each year). The average age of attendees is 53 years. (Compulsory retirement in the Federal Service is 70, for State Department 60, except for Ambassadors or the Minister level which is 65.) The classes run to 100 people including wives. They also have prepared a booklet "Planning for the Later Years".

Other Agencies or Departments conducting programmes which involve some sort of group counselling include the following (but

undoubtedly there are many more):

National Security Agency; Departments of Commerce, Labor, State, Agriculture, Housing and Urban Development, Army, Health Education and Welfare (which also publishes a monthly magazine "Aging" at \$2.50 per year); H.Q. Air Force; Army Map Service; Naval Ship Engineering Centre; Naval Materials Command Support Activity; Air Force Material Command; Federal Home Loan Bank; A.E.C.; Office of the Secretary, Health, Education and Welfare; Federal Aviation Agency; Coast Guard; Federal Highway Administration; Office of the Secretary of Defence, Army; U.S. Information Agency.

Some further details of what the U.S. State Department does in this area are of interest and relevant. In the first place, the Department currently has about 300 retiring each year (it is estimated that from 60% to 70% are Foreign Service Personnel). Unlike our Service, the Foreign Service has an entirely different pension plan from the regular U.S. Civil Service. The U.S. Civil Service has a compulsory maximum retirement age of 70 years, voluntary at 55 with 30 years' service. Pension is based on a sliding scale - 1% first five years, 1 3/4% next five and 2% from then on, calculated on the average highest three years, with employee contribution of 7%. The State Department plan has a compulsory retirement age of 60 except for those of Ambassadorial or Ministerial rank who may go to 65 years, and voluntary retirement at the age of 50 with at least 20 years' service (permission of the Secretary of State is required). The pension is calculated at the rate of 2% per annum of the average salary during the highest three consecutive years up to a maximum of 70%. In fact, the maximum is 72% since unused sick leave of up to one year (2280 hours) may be added as pensionable service. However, this basic pension is reduced somewhat depending on the amount of survivor benefits the pensioner opts for. The contribution is 7% of salary. In addition, there is a built-in cost of living escalation that takes effect when the consumer index rises 3% or more (and remains so for three months). The increase is the cost of living increase plus 1%.

## UNITED STATES CIVIL SERVICE COMMISSION

## BULLETIN

Washington, D.C. 20415  
July 7, 1969

BULLETIN NO. 831-20

SUBJECT: Civil Service Retirement: Preretirement Planning Services

*Heads of Departments and Independent Establishments:*1. Purpose

This bulletin--

- Announces a change in the Civil Service Commission's policy on preretirement counseling of Federal employees from one of neutrality to one of promoting, encouraging, and assisting in the establishment of preretirement planning services throughout the Federal community.
- Encourages agencies to develop effective new preretirement planning programs and to strengthen existing preretirement planning services.
- Provides basic guidelines to assist agencies in developing effective preretirement planning programs.
- Indicates the type of further assistance the Civil Service Commission will provide to help make effective preretirement planning assistance available to all Federal employees who desire such services.

2. Background

a. This change in policy is based upon the results of a special research study conducted in the summer of 1968 by the Bureau of Retirement, Insurance, and Occupational Health. This study of the reactions and attitudes of a large sample of recent retirees, and a separate sample of employees eligible for retirement, concerning the need for and effectiveness of preretirement planning programs clearly established that employees feel a need for such programs and consider them helpful. The study's findings also indicated that--

- Most employees, especially those who have not yet retired, think that it is hard for people to get used to retirement.

INQUIRIES: Bureau of Retirement, Insurance, and Occupational Health, 63-24650  
(Code 101, Extension 24650)

CODE: 831-Retirement

DISTRIBUTION: FPM

BULLETIN EXPIRES June 30, 1970

- Almost all employees, both active and retired, like the idea of a preretirement planning program.
- Almost all employees, both active and retired, believe that a good preretirement planning program could help people enjoy retirement more.
- Most of the 8% of both active and retired employees who did attend a preretirement planning program both liked it and are finding it useful.
- Most active employees who have not yet been able to attend a preretirement planning program wish they could do so; a smaller, but substantial, proportion of the retired employees who did not attend wish that they could have.
- A significantly larger proportion of program participants than non-participants have made definite plans for their retirement years—assumed by practically all authorities to aid in adjustment to retirement.

b. Copies of this research report have been distributed to heads of all Federal departments and agencies, agency personnel directors, Interagency Boards, and Federal Executive Boards. A limited number of additional copies are available upon request for agency personnel who are or will be responsible for developing in-house preretirement planning programs or for counseling individual retirees.

### 3. Guidelines

a. As with any optional counseling service, the success of the program will depend on the support and enthusiasm it receives from agency management and the degree of acceptance it attains among employees. Some employees are reluctant to participate in a preretirement planning program for fear of being treated as retirees before they are actually ready to retire. Others feel that by attending a program they are revealing an intention to retire within a few years and this will have an adverse effect on their promotion opportunities. Still others perceive programs as guises to stimulate early retirement.

b. Because of these apprehensions, proper emphasis should be placed on the concept of advance planning in both the title and the content of any preretirement planning program. The manner in which a program is introduced will often determine how well it is accepted. Attendance at a preretirement planning program must be considered a fully acceptable and normal procedure to both management and employee. Above all, employees should not be coerced or pressured into attending any such program.

c. The following practices are recommended:

- Attendance should be optional and offered to all employees within five years of retirement eligibility.
- The employee's spouse should be invited to attend.
- The program should be conducted through a combination of group and individual sessions.
- The program should be held during working hours, if possible.
- Use of retirees in planning and conducting the program should be considered.
- Use of correspondence courses and community, commercial, or university programs might be considered as an alternative to agency group sessions when these are impractical.
- Joint programs offered by several agencies should be considered when the limited size of any one establishment makes development of a separate program impractical.

4. Training Course

a. The Civil Service Commission is developing a special training course to provide agency retirement advisors with knowledge and techniques useful in developing and conducting in-house preretirement planning programs. Subjects to be covered include:

- Objectives of preretirement planning services.
- Content of a comprehensive preretirement planning program.
- Design and conduct of courses, e. g., eligibility considerations, format, timing, locating and utilizing resources, methods of presentation, or adaption to specific clientele.
- Techniques of retirement counseling.
- Typical problems.
- Evaluating retirement planning programs.

b. This course will be offered in Washington, D. C., in August 1969, and courses will be offered throughout the country in the fall of 1969. The Commission's Bureau of Training and its Regional Training Centers will distribute announcements of these courses in the near future.

5. Continued Support

a. The Civil Service Commission will provide continued, substantive support to develop and strengthen retirement planning programs throughout the Federal community. To the extent possible, the Commission will assist in the training of agency retirement advisors, offer suggestions on the content and conduct of preretirement planning programs and provide the necessary technical assistance on civil service retirement and insurance benefits.

b. Agencies are requested to send copies of retirement planning course outlines and lists of distributive materials used to the Civil Service Commission, Attention: Bureau of Retirement, Insurance, and Occupational Health, (OPM). The Commission can then advise others of formats and procedures found effective.



Nicholas J. Oganovic  
Executive Director

The system also provides for "involuntary retirement" which gives the Department the right to retire those employees who remain in a class without promotion for a specified period, or fail to maintain the standard of performance required of officers in their class - something similar to the system in force in the Canadian Armed Forces. Officers in Classes 1, 2, 3, and 4 (the highest, short of Ambassadorial or Ministerial rank) if age 50 and with 20 years of service are eligible for immediate pension, but officers in Class 5 and below simply receive a severance benefit. (There is no similar retirement by rank for non-officer classes.)

Since the Foreign Service in the United States has a retirement plan different from the rest of the Civil Service, these foregoing details have been noted. More precise information concerning the system is contained in a print-out and a brochure included in the literature submitted with this report (see U.S. Government Papers).

What is perhaps of more direct relevance to this report is the methods used by the State Department for alerting and training their people for retirement. In the first place, the Department has a "Retirement Section" that is exclusively devoted to the handling of people as they come to retirement and go through the process. This section organizes a course once a year that is now open to all who want to attend - no specific invitation is sent out to anyone. They usually have about 200 attending each course, which includes those wives who wish to attend (this is clearly too many). While there is no attempt at regular personal counselling unless a person asks for advice, the Department has developed an excellent guidebook "Transition - A Guide to Retirement". This carries a few brief words of warning about the need to prepare, gives information on how to calculate retirement income, social security, unemployment compensation and the effect on Government annuities of re-employment in the Federal Government. It also contains suggestions on how to go about seeking re-employment outside of Government and outlines the services available to



help. It discusses possible outlets where the experience and skills of a retired person from the Foreign Service might be useful - such as in education, voluntary work with older people, re-employment with the Federal Government, local and state Governments, the U.N. and affiliated specialized agencies (here the State Department maintains a UN Personnel Policy and Recruitment Staff and Counselling and Referral Staff of AID that help UN Agencies locate people for such posts), various national associations. There are also sections outlining the enormous number of volunteer activities that could be of interest, on political activities, adult education opportunities available, organizations of special interest. In short, it is a most useful handbook for anyone coming out of the Foreign Service into retirement, and might well be studied by any plan to produce a similar handbook for people retiring from the Department or from the Civil Service in Canada - a copy is included in the documents labelled "U.S. Government Publications".

The procedure followed by the Retirement Section of the State Department starts at six months before each person's 60th birthday. He is sent a notice which includes advice of an appointment for a medical exam three months before retiring, information on his leave credits - the employee may take his current leave before retiring but accumulated leave is paid in a lump sum up to a maximum of 360 hours. At two months before retiring, he receives information on his annuity and forms to sign for his survivor benefit options. This notice includes his average salary for the highest three consecutive years, the amount of his basic annuity, the amount this is reduced to in order to provide the minimum survivor benefit plus any additional amount he selects in order to increase such survivor benefits.

On retirement, the Foreign Secretary and the Director General of the Foreign Service sees all Ambassadors (and presumably all Heads of Post). FS02 and above, also GS15 (Domestic Service) and

above receive a letter of appreciation signed by the Foreign Secretary. All others receive a letter signed by the Deputy Under-Secretary. Also, each retiree receives a Certificate of Service signed by the Foreign Secretary, which is an embossed scroll with the U.S. Coat of Arms in full colour, suitable for framing. Finally, each receives an identity card which gives former employees access to the State Department building during office hours. (Copy attached at end of Appendix)

After retirement, the Department keeps in touch with all former employees; since the State Department sends the pension entitlement statement each month to the Treasury Department, who make out the cheques, and since Treasury may not accept change of address notices direct from retirees, the Department is able to keep an up-to-date record of its pensioners.

Apart from the many organizations devoted to the interests of retired Civil Servants and retired persons in general - the National Association of Retired Federal Employees, American Association of Retired Federal Employees, American Association of Retired Persons - there is DACOR (Diplomatic and Consular Officers Retired Inc.), which is described in the section "Private Organizations".

CORRESPONDECE COURSES: The Seattle Federal Executive Board, the Seattle Federal Business Association and participating federal agencies have sponsored a correspondence course for members of the Civil Service who are based in Seattle and who have the option of retiring within ten years. It is offered without charge. This is the only course that the Civil Service Commission reported as being available for Federal Civil Servants (documents included in U.S. Government Papers).

UNIVERSITIES: It is not possible to list all the universities that have facilities for pre-retirement training, but the University

of Chicago and the University of Michigan seem to have pioneered this subject in their Schools of Gerontology. Some others that have become involved include Fordham, Oregon, the Graduate School of the Department of Agriculture, North Virginia Community College and Drake University. Some of these also have courses for training counsellors.

DRAKE UNIVERSITY: Drake University's course for training pre-retirement counsellors runs for three days (1973, from Jan. 10-12 inclusive), conducted by their Pre-retirement Planning Center. The cost is \$100 which includes all materials and luncheons, but not accommodation and other meals. Enrolment is limited to 15 persons. In addition, the Center also offers courses for "The Community at Large". This is a seven session programme conducted on campus. They also will organize a similar programme in co-ordination with employers that is conducted within the place of employment. The university has published a useful guidebook for programme planners "How Pre-retirement Planning Works". This is aimed at establishing group counselling courses, but it emphasizes the need for follow-up. It has this to say:

A program such as pre-retirement, and especially a 7 to 10 or more topics program, cannot expect to have lasting effects on an individual without some means of continuity.

As the program coordinator experiences putting together and 'pulling off' a program, he quickly realizes the inadequacies of providing a one-shot program. It seems to be part of human nature that unless we are periodically reminded, our thinking process about a particular problem becomes dulled. We once again slip into a kind of 'do nothing until it happens' state of mind.

Because of this act of reversion, and to insure the best of pre-retirement programs, there are a number of alternatives available to an organization for follow-up.

One such alternative is to offer periodically a one-session program on the 'state of the art'. Topics such as an up-dating on Social Security benefits, company retirement benefits, community-civic programs of interest, new ways of enjoying leisure time, etc.

Another alternative might be a periodic one-to-one contact between the person planning for his retirement and the pre-retirement planning coordinator. This permits the organization the opportunity to express continued interest in the pre-retiree and what he is doing about his retirement plans. This method gives the employee the understanding that the organization is interested in him and will do all it can to assist him, the pre-retiree, in the eventual experience of a productive and meaningful retirement.

THE UNIVERSITY OF MICHIGAN, ANN ARBOR, MICHIGAN: Much research on the question of retirement has been carried out by the Division of Gerontology of this University. They have drawn up a "Manual for Discussion Leaders" for the UAW pre-retirement programmes. In addition, they have produced considerable papers on various aspects of the subject, including a "Guidelines for Pre-retirement Education Program". Unfortunately, some of their papers are out of date, such as "Trends in Pre-retirement Education" which was produced in 1962. Some of their papers are included in the docket "U.S. Universities".

The institute offers four kinds of services:

1. Programme Development - a consultation service and pilot program for organizations or groups of older people. Reference to the companies using this service is included in the section "U.S. Corporations".
2. Leadership Training - courses for discussion leaders and others for trainees.
3. Development of programme materials including leaders' manuals, reading material for the "student" and 16 mm sound films.
4. Programme evaluation.

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STATE DEPT.

I.D. CARD SAMPLE.

WHAT IS BEING DONE IN THE UNITED STATES

UNITED STATES CORPORATIONS: It is not possible in a report of this nature to give any concensus of what American corporations are doing. In the reference to studies made by the National Industrial Conference Board, mention was made of the difficulties of tabulating the numbers of companies that have programmes, because some companies might regard what they are doing as a "programme" whereas others might not so consider it. The following brief notes of a few firms interviewed in the New York area or whose activities came to my notice suggest that most of the larger corporations have personal counselling services of a more or less procedural nature, and that this sort of programme is considered more effective than "in plant" courses. It also suggests that most corporations consider post-retirement contact as important, and take steps to ensure that this is maintained.

In discussing the question with the Conference Board, they advised me that the following large corporations had reported that they had no counselling programmes other than arrangements for explaining post-retirement benefits (pension plans, etc.):  
ATT; First National City Bank of New York; General Electric; Lever Bros.; R. H. Macy & Co.; Mobil Oil; Otis Elevator; Standard Oil of New Jersey (Esso); Union Carbide.

FIRST NATIONAL CITY BANK OF NEW YORK: Although this bank is included in those who reported to the Conference Board as not having any programme, in fact they have quite an elaborate personal counselling system. It starts five years before compulsory retirement (65) and from then on, they send out pamphlets and information at regular intervals, as well as personal interviews with their own counselling service. They have a personalized folder (included in docket accompanying report under "U.S. Private Industry") which gives a general description of "Retirement Income Options", an estimate of the person's own benefits (retirement plan, Social Security, group insurance),

application form for increased survivor benefits at cost of lower pension, a City Bank prepared general warning and advisory pamphlet "Look Forward to Your Retirement" and a list of books available in the bank's "Personnel Retirement Plan Library". In addition, for any who wish it, the bank will give one year's subscription to "Harvest Years" - arrangements made for bulk subscription on condition no subsequent pressure is exerted on individuals for renewal of subscription.

The Bank reports that interest in pre-retirement courses probably peaked in 1954 (not confirmed elsewhere) when they and other corporations considered adopting them. Owing to lack of response, they, and they claim many others, did not adopt this method.

They report that about 60% of their employees take early retirement at 55, which is the newly established voluntary retirement age, (formerly 60). Most of those retiring early do so in the realization that they are not likely to go much further in the Bank.

XEROX, ROCHESTER: This Company appears to have one of the most advanced and enlightened approaches to the whole question of retirement. They are putting into effect what so many of the experts recommend - namely, to prepare for retirement by encouraging employees to diversify their interests and develop other skills during their working career. They encourage any employee to apply for a year's leave of absence for work with a Social Service Agency anywhere in the world. The applications are screened by a committee of employees and, if approved, the company will pay full salary and benefits. They also guarantee in writing that on return they will have a job at at least equivalent pay, status, and promotional potential. If, on return, any employee who has been filling in for the other on this sort of leave has to be moved aside, then this is done.

METROPOLITAN LIFE, NEW YORK: Over the past ten years, they have developed what they regard as an effective retirement counselling programme for their Home Office employees. This provides for individual counselling at age 60 (compulsory retirement 65), and again at about age 64. Special interviews are provided at any other time at the request of the employee. These interviews treat with annuity benefits, group insurance, medical expense coverage, Social Security, taxation and any other subject the employee wishes to discuss. Counselling is also available after retirement. (See work sheet and description of interview included in folder). At the 64 year interview, the employee is given a kit (included in docket "U.S. Private Industry"), and also given a subscription to Harvest Years for one year - they consider this publication to be the best in the field.

They believe that very few of their former employees find difficulties in retirement, as a result of this programme and of the adequate pension plan. When they started the programme, they aimed it at 20 years before retirement, but nobody was interested that far back, so they arrived at the five year formula. They report also having tried group counselling courses, but without result. They think that it is only a question of time before legislation will force corporations to set up some sort of pre-retirement training or counselling programme.

Metropolitan Life reports that many corporations that claim to have programmes, in fact, have them mainly on paper, owing to a number of factors - indifference of employees or management, inadequately trained counsellors. This suggestion was confirmed by the Conference Board which cited it as one of the reasons it is so difficult to know what really is going on in this field.

CHASE MANHATTAN BANK, NEW YORK: Have no counselling or training programme. They have approached the problem by providing an excellent non-contributing pension plan as well as a voluntary



savings plan (bank matches employees' contributions). They issue to their employees booklets outlining the savings plans open to them and, of course, would be willing to discuss these with an employee. These are Thrift Incentive Plan; Retirement Plan; Family Benefits Plan; Supplemental Life Insurance Plan; Life Insurance Plan and Health Insurance Plan (included in docket "U. S. Private Industry"). About three months before retirement, each employee receives a complete data sheet of his retirement benefits position and that is about all. They have no evidence that, except for a very few exceptional cases, their employees have found retirement difficult or that they fear retirement before the event.

STANDARD OIL COMPANY OF NEW JERSEY, NEW YORK: Claim to have pioneered with in-house group counselling courses but abandoned it as it was found to be ineffective. Instead, have developed a comprehensive personal counselling programme that deals with facts only and is heavily oriented toward explaining the pension, etc. benefits. It does not attempt to solve the personal problem or give unasked-for advice. They believe that the success of any person's retirement lies primarily with the adequacy or inadequacy of the pension plan. In addition to regular pension plan, they have a voluntary contributory annuity plan (which may be equated to our separation gratuity). On retirement, the lump sum earned may be averaged out over seven years, or may be put into an annuity for life.

These financial arrangements are supported by a planned system of interviews starting at five years before retirement when the financial benefit entitlements and annuity options are carefully explained - no attempt is made to advise on the need for preparation or other of the usual facets dealt with in pre-retirement training courses. They believe that these are personal respon-

sibilities and that with rapidly increasing technology, there is a strong tendency toward early retirement and that their pension arrangements, etc. recognize this. Also, the amount of leisure time during a working career is increasing - long holidays with length of service written into labour contracts, more three-day weekends, the five day week perhaps giving way to the four or even three day week, all force people to become accustomed to leisure and to break down the sharp divide between work and retirement.

In addition to these interviews, they have arranged with three banks to advise any employee on how best to handle his annuity options or to arrange his retirement income to best advantage. As a result of their system, they believe that about 90% of their employees are completely happy and satisfied in retirement.

GENERAL ELECTRIC, NEW YORK: One of the companies reporting to the Conference Board as not having any programme. Because of considerable diversity throughout the United States, difference in ages of employees, etc. (new plants with relatively young employees, problem is not yet of much moment) have not set up any corporate-wide programme. However, some of the older plants (Pittsfield, Lyn, Buffalo) have various activities but I understand none include any in-plant courses.

Nevertheless, the G.E. pension people do make contact with each employee two years before compulsory retirement (or earlier if it is known that an employee has chosen early retirement). They advise him of his pension and of the survivor options and of his continuing medical and insurance benefits and work up the approximate total benefits he will receive on retirement. The pension office in New York is familiar with the various in and outside the plant training courses that are available, but consider the result of such courses mixed.

AMERICAN EXPRESS, NEW YORK: Did not report any particular concern with the problem and evidently have no definite counselling programme. Seem to have considered employing one of the commercial counselling services, but came down against them.

RADIO CORPORATION OF AMERICA, NEW YORK: The company has about 500 retiring each year out of a total of 95,000 employees. In Canada they have from 40 - 50 retiring out of some 4,000 employees.

This Company has a comprehensive programme in the United States but none in Canada as the numbers are too small to support it. The programme involves planned individual discussions; printed information with scheduled distribution; group discussion meetings to meet specified wishes of employees; medical examination and counselling; long range planning. They define the responsibility as resting with the Personnel representative, the immediate superior and the retiree. The objective - to stimulate positive thinking about retirement.

The programme is well documented and explained in the Company's brochure "Retirement Planning Program" (included in docket "U.S. Private Industry"). The booklets prepared for each employee, copies of which are in the brochure, are particularly worth noting. The overall programme starts six years back, and there are subsequent interviews every year until retirement, reviewing each employee's progress. The procedure for actual retirement includes a final physical examination, advice on how to apply for Social Security and unemployment compensation, the provision of courtesy passes and honorary membership to the company's "Activities Association", and finally participation in any social activity organized by each person's colleagues in his department. It also involves a five year subscription to "Harvest Years". In assessing their programme, they report good "feedback" from the "Harvest Years" subscription, talks from a Social Security expert and

taxation counselling (the latter particularly for the executive groups). They have experimented with membership in the American Association of Retired Persons but had little encouragement except for the drug discount and for the guaranteed automobile insurance available from such membership.

EQUITABLE LIFE ASSURANCE CO., NEW YORK: Have a systematic system of personal counselling that starts at age 60 and continues to retirement at 65 or earlier. This is best summarized in the company directive:

Just before he reaches age 60, the employee is provided with estimates of his retirement benefits payable under the normal form. Figures for the joint and survivor form of annuity are shown as well.

Shortly before age 63, the employee again receives figures for both the normal and joint and survivor forms and at this point may elect the latter.

About two months before his actual retirement, the employee receives a final letter giving updated estimates of his retirement and group life benefits. This letter also includes a detailed review of points which will have been covered to some extent in earlier letters or consultations: Social Security retirement income; health insurance provisions of Equitable's Pre- and Post-65 Plans and those of Medicare; tax status of Equitable retirement income; election rights and tax information pertaining to the Investment Plan.

If an employee retires early, the timing of the program is of course modified accordingly.

This directive, together with samples of letters sent out at intervals and forms used are included in docket "U.S. Private Industry". The letters include (a) one used at 60, 63 and 65, which is a summary of estimated retirement benefits at optional times, (b) at age 63 explaining a summary of retirement benefits and option forms, and (c) the final normal retirement date letter sent out two to three months before, which gives full details of pension benefits.

OTHERS: The following corporations operate in-plant group counselling courses under the guidance of and using the material prepared by the University of Michigan, Division of Gerontology:

The Chrysler Corp.; Scovill Manufacturing Co.; West Print Manufacturing Co.; Wolverine Shoe Company; Electro-Metallurgical Company; Moore Business Forms, Inc.; Upholsterer's International Union; and the University of Michigan

WHAT IS BEING DONE IN THE UNITED STATES - OTHER

PRIVATE ORGANIZATIONS: There are many organizations in the United States that operate in this field of pre-retirement training or preparation, or in the welfare of retired persons after the event. Some are principally research, others publish manuals, others are involved in setting up courses and providing counselling on a commercial basis, some are principally lobbying organizations promoting the interests in Washington of retired people, and some are a combination of several of these services. The following is by no means a complete listing but it does include some of the most prominent and relevant to Civil Servants.

RETIREMENT ADVISORS, INC., NEW YORK: This organization performs the same role as the Montreal Company, Paramount Retirement Counselling, Ltd. In fact, the Canadian company followed the format of the New York company which has a longer record of performance, - since 1958. This service seems to have a number of well-known clients according to their promotional literature, which include Merrill Lynch, Pierce, Fenner & Smith Inc., Montgomery Ward, U.S. Postal Service, Illinois Bell, Motorola and others shown in their folder. Their costs are considerably lower than its Canadian counterpart, undoubtedly because of its much larger range of operation.

NATIONAL INDUSTRIAL CONFERENCE BOARD, NEW YORK: The Conference Board has been wrestling with the subject of pre-retirement counselling and with the problems thrown up by early retirement for some time. They do not themselves run any courses, but do carry on considerable research throughout their membership. In 1964, they published an extensive study entitled "Corporate Retirement Policy and Practices". This went into the various pension schemes, normal and early retirement, disability retirement, life

and health insurance and finally Preparation for Retirement programmes and "maintaining contact with retirees". Although much has happened since and the trend toward the shorter work week, and longer holidays, has accelerated, the last two sections of this report are of some interest. The summary of the "Preparation for Retirement Programs", Chapter 7, is given as follows:

Approximately 65% of the companies in this study have some type of pre-retirement counselling program to help employees prepare for retirement. About half of these companies limit the counselling sessions to an explanation of the company pension, Social Security and other post-retirement company benefits and services. The remainder cover these topics but also provide counselling in areas such as health problems of older people and use of leisure time.

Approximately one quarter regularly distribute retirement planning literature to employees who are near retirement, but largely where there is a pre-retirement counselling program.

A small group of 21 companies help employees prepare for retirement by allowing them to taper off work through a program of extra time off during the years close to retirement.

At that time, only a few of the companies had group counselling meetings as part of their programme. These are analysed in detail on Page 73 of the report. It is not possible to say whether or not this use of group counselling has increased, but none of the few firms I was able to see in New York showed any interest in this method.

Insofar as post retirement is concerned, one paragraph may be quoted:

The pensioner is encouraged by some companies to return for special occasions or to use company facilities. Another approach is by periodic written communications from the company. Home visits to retired employees by company personnel also is practised.

More than half of the 94 companies in this study that purchase subscriptions to senior-citizen magazines as part of a preparation-for-retirement program continue the subscription after the employee has retired, usually for one year. This is one way in which contact is maintained with retired employees, using written material.

A more direct identification with the company can be obtained, of course, by sending the company newspaper or magazine to pensioners. Apparently a sizable proportion of companies do this, judging by information obtained from 473 manufacturers in a recent Conference Board survey. Three-fourths of the 155 companies that publish a company newspaper send each issue to pensioners, as well as 87% of the 84 companies that publish a company magazine.

Again, this report is out of date, but from my discussions with both Canadian and United States corporations, this post-retirement contact is evidently considered important.

Earlier this year, the Conference Board convened a forum of some 100 senior executives from business, the universities, the press, and banks, mostly from the United States, but with some representation from Britain, to consider the question of "Retirement as a Way of Life". This produced some excellent philosophical comments on how to prepare for retirement, a summary of which is contained in the Conference Board Record of March 1972. It does not apply particularly to any one country, but to the problems of retirement in general and how to deal with them. It is a document that should be read and digested by those planning programmes.

Since then, the Conference Board has been conducting mini-seminars all summer in preparation for a seminar at the end of October that was hoped would probe more deeply into the current attitude of large corporations toward the problems of preparation for retirement.\*

OLIVER WENDELL HOLMES ASSOCIATES: Conducts seminars for executives (presumably for a fee) approaching retirement. Aim at five years before retirement. Take executives for a week's retreat aimed at making them begin to think about preparing themselves for a "second career."

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\*See Conference Board letter Pages 3a and 3b, and comment Page 3c.



RHH

-3a-

Salisbury Hills  
New York, 12577

CONFERENCE  
BOARD

December 8 1972

NY

Dear Guy:

RAF APPENDIX H

Your letter awaited me when I visited The Board this week. How nice to hear from you.

As you supposed, the Forum on pre-retirement planning has taken place, and the editorial people are now engaged in preparing for publication. When the article eventually appears I will be sure to see that a copy is sent to you.

However, since that may not be in time for your immediate purpose, perhaps you would like me to offer now a few overall observations on the content of the dialogue, both at the Forum and at the various miniseminars held by the participants beforehand with their corporate colleagues.

It is of course unwise to generalize from the particular, and to conclude that the approach of management in the companies concerned is necessarily representative of that of corporations as a whole. Our participants were chosen as being among the more enlightened of their brethren with respect to social involvement. Nonetheless, I do not think we would be wholly wrong in assuming that their views wouldn't be so very different from their peers, and on that premise my response to your question would be somewhat as follows:

1. At every miniseminar I attended, the interest of those gathered around the table could not be doubted. As one the speakers said on one occasion, "we shall attend the Forum in the spirit of respectful ignorance".
2. Several of the companies sent out questionnaires to select groups of retirees, so that management might speak with a bit more authority at the Forum. On the whole, those responding seem to be reasonably well satisfied with what the company had done (except of course that they'd all like to have had a more bounteous pension).
3. At the Forum itself, these responses came under critical surveillance. (a) To what extent do those responding speak for those who did not do so? (b) How much of the contentment came from a real joy in living and how much from temporary gratification at a surcease from life's toil? (An impossible question to answer with accuracy, yet terribly important to the success or failure of any plan for long-term retirement happiness, as you can see).

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4. Not unnaturally, the company representatives at the Forum took comfort in the responses received, for they were apparently ~~were~~ rather more favourable than had been anticipated in most cases. Still, no speaker present disguised his conviction that the problem of accommodating the oncoming generation might be very different, and that he had very little idea of what might ultimately be involved.

5. The changing view of the work ethic has upset all bets. The questionnaires had been sent to men and women for whom work was the central motive force and for whom cessation meant an abrupt and traumatic alteration in life style. We know very little about the effects of first-career retirement upon people who may have had many jobs as a matter of deliberate policy, in the conviction that to have lived well is to have changed often, who may have taken time off for education and for sabbaticals, and who in short look upon work as a means to an end rather than as an end in itself. (We went over this together, of course, at the consuls meeting you attend, but it is interesting to note that no company feels it has any more answers than we did).

6. Still, something new was added at the Forum. Consideration was given to the inclusion of the forty year olds in pre-retirement planning. Primarily, because the longer the planning period the more satisfactory the adjustment. But secondarily, because of the recognition that attention to the middle age group might provide them with the balm of a new aspiration at the time in their lives when frustration may be setting in, as they come to realize that the management pyramid gets ever narrower in its base as one moves upward, and that the virtually unending progress they had made to date is coming to an end.

7. One most encouraging aspect at the Forum was the promise made in several quarters to undertake systematic studies on some of these issues. I will expect to be kept informed and in turn will be happy to pass on any highlights to you.

8. Meanwhile, in a couple of cases I have been fortunate enough to bring together a participant with a university, to set up programs to determine how educational institutions may meet the cultural needs of older citizens, rather than thrust them, as now, into a Procrustean necessity to accept courses planned for their children or grandchildren.

If you care to exchange thinking with me from time to time, on these or any other subjects, I should enjoy it. Meanwhile, my warmest wishes.

Mr. Guy C. Smith

Sincerely,



Note that this Seminar by the Conference Board held in October bears out the difficulty in arriving at any sort of concrete summary of what industry is doing in the United States in this field. In note 2 reference is made to the general satisfaction expressed by employees with what the companies are doing except that they would all like to have "a more bounteous" pension. This is directly opposite to the situation in External as it pertains to-day where the dissatisfaction rests not with the amount of the pension but with the lack of any attempt at preparation and with the poor handling of people when they come to retirement.

Point No.3 underlines the difficulty of arriving at firm conclusions through answers to questionnaires.

Points No.4 and 5 emphasizes the problems presented by the rapidly changing attitude toward work by "the on-coming generation".

Point No.8 emphasizes the need for universities to meet the cultural needs of older citizens by providing courses prepared for them rather than by forcing them to accept courses planned for their children or grandchildren.

NATIONAL ASSOCIATION OF RETIRED FEDERAL EMPLOYEES, WASHINGTON:

Supported entirely by members, no Government subsidy. Essentially a registered lobbying organization, but they claim to help in organizing courses for Government Departments or Agencies. Mostly, their courses are crammed into three or four consecutive days, but sometimes they operate on half days consecutive, always during office hours.

AMERICAN ASSOCIATION OF RETIRED PERSONS combined with NATIONAL RETIRED TEACHERS' ASSOCIATION, AARP, NRTA, WASHINGTON:

This is probably the largest and most active organization of its kind in the United States. It has about four million members who pay dues of \$2.00 per year. This organization is devoted to the interests of retired people and provides a wide range of services, including a monthly magazine, health insurance plan, a pharmaceutical service where members may obtain drugs or prescriptions virtually at cost by mail order or at four retail establishments operated across the country, a temporary employment service, automobile insurance, adult education courses at various Institutes, low cost travel service, 900 community centres (clubs). The organization operates through chapters in different cities throughout the United States. While they have no chapters in Canada, they claim to have some Canadian members. Some companies provide gift membership for their pensioners, mostly for the duration of their life.

In addition, they do a considerable amount of research and in 1967 published a detailed survey of "Preparation for Retirement in the Federal Government". In 1969, they published a report on "The Preparation for Retirement Programs of 103 City Governments". Also, in 1969, they published the results of a questionnaire sent to each State of the Union on post-retirement policies, and a report on post-retirement programmes of 120 employers, (no date for the latter, but recent).

Another of their publications is a "Guide for Programme Development for Business and Industry" and one for "Government Employees", both essentially the same with a different cover.

The Association co-operates with universities, Chambers of Commerce, etc., as joint sponsors for conferences on problems of retired people or for preparation for retirement, and in setting up workshops for personnel directors.

ACTION FOR INDEPENDENT MATURITY (AIM), WASHINGTON: This is an off-shoot of AARP that was started in 1971, to deal specifically with preparation for retirement. It has 45,000 members, limited to people who are employed between the ages of 50 and 65. Membership dues are \$3.00 per year, and for this they, and their wives (or husbands) receive all the benefits of AARP membership plus a number of guidebooks and "Dynamic Maturity", a magazine published every other month. It would appear that this service offers very nearly all and much more than Retirement Advisors, Inc., of New York, but at much less cost. Evidently some companies buy membership for their employees several years before retiring as their contribution to "pre-retirement training".

AIM will also encourage and help industries to set up in-plant group counselling courses. These are designed for nine sessions of two hours each and for groups of 25, which number includes wives.

THE NATIONAL COUNCIL OF SENIOR CITIZENS: Has some 3,000 senior citizen-affiliated clubs - primarily concerned with political action to improve the life of older people, and in sponsoring research groups in this field.

THE STATE USIA RECREATION ASSOCIATION (DRSA): Open to all retired Government Agency personnel. Publishes monthly "Communiqué"; concerned with organizing social and sporting events; classes in handicrafts; low cost insurance, discount merchandize.

THE STATE DEPARTMENT FEDERAL CREDIT UNION: A co-operative savings and loan institute offering financial counselling as well as loans.

DIPLOMATIC AND CONSULAR OFFICERS RETIRED, INC.: DACOR AND DACOR HOUSE:

Open to all retired Foreign Service officers, to promote the interests of retired officers through legislation, group insurance. Also operates a plot in Rock Creek Cemetary, a welfare foundation and DACOR House with club facilities and a few guest rooms.

THE RETIREMENT INSTITUTE, NEW YORK: A commercial organization offering group sessions and individual counselling dealing with retirement to private companies; they have no Government contracts. All sessions are during the day and are conducted at their headquarters in mid-town New York. They offer three series ranging from \$400 to \$1,500 per person, the higher cost series aimed at top executives and involves extensive personalized and individual counselling. Wives are invited to all sessions. This is a new service started in 1971.

This "luxurious" service is offered to retirees (provided the company is willing and prepared to meet the cost!), three years before retirement, when he is given the institute's literature, which sets out steps he should take to prepare. Six months before retirement date, the officer is given a certificate entitling him to attend sessions offered by the Institute. At the same time, the Institute counsellors are present to answer questions and generate interest on a personal basis. Each person also has a private personal interview before starting the "course" (this seems to be a sort of psychiatric interview). There are two other private interviews during the course which has 15 sessions. After retiring, the officer may consult the Institute at any time, with any particular counsellor - for a nominal fee!

RETIREMENT RESEARCH, APPLETON, WISC.: Publishers of guide books for those setting up courses and also of books on the subject of Preparation for Retirement.

THE NATIONAL COUNCIL ON THE AGING and THE NATIONAL INSTITUTE OF INDUSTRIAL GERONTOLOGY:

Research organizations concerned with the problems of aging. While not directly concerned with pre-retirement training, some of their research gives background information supporting the need for such "training". This year they published "Retirement: A Cloudy Future" and "Industrial Gerontology - Studies on Problems of Work and Age".

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Some other organizations that are reported to be available for retirement or post-retirement counselling are:

The Bureau of Business Practice (a division of Prentice-Hall, Inc.)  
Waterford, Conn.  
Industrial Relations Section, California Institute of Technology,  
Pasadena, Cal.  
Industrial and Labor Relations, Research Center, Cornell University,  
Ithica, N.Y.  
Harvest Years Publishing Co., New York and San Francisco, Cal.  
University of Chicago, Industrial Relations Center, Chicago, Ill.  
Health Insurance Institute, New York  
Institute of Life Insurance, New York  
The Retirement Council Inc. (Div. of the American Heritage Publishing Co. Inc., Stamford, Conn.)

WHAT IS BEING DONE IN OTHER COUNTRIES

It is impossible, without a great deal of research, to give in this report much information concerning what other countries are doing. At a Seminar held by the Conference Board in New York, with the Consuls General of Britain, Italy, Sweden, Japan, Switzerland, the Netherlands and New Zealand, not very much information on pre-retirement training or programmes was available. Most of the "delegates" spoke more about the trends in their countries concerning the handling of the problems of the aged. Similarly, in Ottawa, the Embassy of France had little information to give except concerning their pension plan, and the High Commission of Australia had little information about what was being done there - probably very little.

ITALY: Presumably there is some interest in the subject since Italian television did a feature story on pre-retirement training in Britain but the delegate to the Conference Board Seminar reported that, so far, very little is being done by way of preparation. Grandparents are still given traditional respect within the family, though this is gradually being diffused with the migration from the villages and farms to the cities. There are many villages where old people are in the majority - the problem of retirement is going to be more important in the future when social security, better and wider use of pension schemes, paid hospital expenses further lessen the traditional dependence of older people on the family.

SWEDEN: As a result of emigration and the population explosion of the 19th century, the population pyramid is rapidly becoming top heavy. The result is that the agricultural north is being drained to meet the need of the industrial south, and Sweden is now a net



immigration gainer - only 7% is now in agriculture compared to 70% in 1900. Much has been done to meet the economic problems of the aged, such as a guaranteed 60% retirement pay for all at 67 years, the compulsory retirement age. Older people are no longer dependent on their families but are moving to old peoples' homes and apartments. They recognize the need to de-segregate the older generation and mix their living with younger people. Apart from providing continuing education within the universities for all levels and ages of people - 50% of the population is said to have "higher education" - not much is being done directly to prepare for retirement or treat the psychological shock of it. They anticipate that very shortly 1/3 of the students at the universities will be retired persons.

JAPAN: The paternalistic system followed by Japanese industry and the traditional close family obligation, plus the ingrained artistic training and respect for the elderly should make the transition to retirement less traumatic than in most countries. Unlike most Western countries, the unions are pressing to raise the compulsory retirement age from 55 to 65. About 74% of those retiring now get new employment, some being carried on by their employers in less exacting jobs - guards, co-op employees, baby sitter, etc. at much lower salaries. (Senior executives have virtually no retirement age). Some 61% are reported as being unable to live on existing pension payments and depend on families for support. Nevertheless, the modern generation is beginning to claim that old people should live separately.

NEW ZEALAND: The pension schemes in New Zealand are such that it is possible in some circumstances for retired persons actually to have more income than when working.

AUSTRALIA: Pension scheme for Civil Servants very similar to that of Canada. There is provision for a six month's leave after 20 years' service which must be used as a sabbatical and as a project unrelated to occupation.

SWITZERLAND: Family connection is still very strong; the older generation is expected to continue to live "at home" but to move to the upper level of a house. By law, children are required to be responsible for their parents. Old age security is in effect for 27 years, supported by 5% of salaries - soon to be 8%. All Swiss citizens living abroad are entitled to pay into the scheme and to draw benefits at age 65. Retirement age is 65 (Government 65 or 35 years' service and executives 70-80 years). At retirement, all citizens have enough on which to live. Because of the shortage of labour, they are not likely to lower the retirement age. There are no problems with the retired people as there is a shortage of labour and many go in for such occupations as breeding rabbits, etc. Also, the universities have evening courses open to all, regardless of academic qualifications for nominal fees.

THE NETHERLANDS: Concerned with the problem of costs in any programme as their industry must face world competition. As Philips Electronics has some sort of definite counselling programme, presumably this sort of preparation is used in the Netherlands.

FRANCE: Very little information is available except that the Government pension plan is inadequate - certainly compared to Canada's. It does provide for additional service credits for years spent abroad, for war service and for children.

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