



EFFECTIVE WORKPLACE SERIES

WORK-FAMILY INFORMATION ON: PHASED RETIREMENT

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SLOAN WORK AND FAMILY
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BOSTON COLLEGE

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WHY IS PHASED RETIREMENT AN IMPORTANT BUSINESS ISSUE?

"Phased retirement retains the knowledge and experience of an employee for the organization while giving the employee an opportunity to continue to work and ease into retirement at the same time. It's a win-win solution for both the employer and employee that will help mitigate looming worker shortages. As people live longer and healthier lives, we need flexible programs to help individuals reduce the risk of outliving their retirement savings as well as to assist employers in keeping productive employees." **Charlotte Lazar-Morrison; Principal Director, Human Resources; The Aerospace Corporation**

WHAT IS PHASED RETIREMENT?

Phased retirement refers to the gradual reduction of work hours and responsibilities during a transition to full retirement. As large numbers of the Baby Boomer generation begin to reach retirement age, requests for phased retirement have increased.

Want more related DEFINITIONS?

http://wfnetwork.bc.edu/topic_extended.php?id=13&type=6

WHAT ARE THE BENEFITS OF PHASED RETIREMENT?

- Retain valued employees
- Maintain institutional knowledge
- Provide mentors for the next generation of leaders
- Help new employees to ramp up during training phase
- Postpone hiring and retraining new employees
- Accommodate organizational cycles in work flow
- Reduce costs due to employees' lower salaries

DID YOU KNOW?

- According to an AARP study, the top three major reasons for working in retirement were the following: Need the money (61%), Desire to stay mentally active (54%), and Need the health benefits (53%) (Brown, 2005).
- A survey conducted with members of SHRM found that just 10% of the respondents had formal phased-retirement programs in their workplaces (Burke, 2005).
- "Two-thirds of workers over age 50 hope to phase into retirement at some point" (Watson Wyatt Worldwide, 2004).
- According to the Watson Wyatt Worldwide Retirement Survey, "[m]ore than half of all phasers are younger than 60 years old...17 percent of phasers [are] age 65 or older" (Watson Wyatt Worldwide, 2004).

Want more STATISTICS or the full references for above statistics?

http://wfnetwork.bc.edu/topic_extended.php?id=13&type=1

WHY ARE ORGANIZATIONS IMPLEMENTING PHASED RETIREMENT?

- Older workers report that they want to continue working for various reasons
- Many older workers need to continue working to meet their financial obligations
- Workers are living longer and are healthier than ever
- Many workers want to make a gradual shift from working full-time to part-time work to retirement
- Strategy to combat anticipated labor shortages

REPORTS WITH MORE INFORMATION ON PHASED RETIREMENT

- Employment Policy Foundation. (2003). Phased Retirement: Its Time Has Come. *The Balancing Act Newsletter*. Washington, DC: EPF.
- Legal and Research Summary Sheet: Phased Retirement. (2006). Boston, MA: Center on Aging and Work/Workplace Flexibility.
- Sheaks, C. (2007). The state of phased retirement: Facts, figures, and policies. *Generations*, 31(1), 57-62.

Want more OVERVIEWS AND BRIEFS or the full references for the above reports?

http://wfnetwork.bc.edu/topic_extended.php?id=13&type=7

SUGGESTED READINGS

- Brown, S.K. (2005). Attitudes of individuals 50 and older toward phased retirement. Washington, DC: AARP Knowledge Management. Retrieved July 25, 2005. http://www.aarp.org/research/work/retirement/Articles/attitudes_of_individuals_50_and_older_toward_phase.html
- Hutchens, R. & Grace-Martin, K. (2006). Employer willingness to permit phased retirement: Why are some more willing than others? *Industrial and Labor Relations Review*, 59(4), 525-546.
- Willett, M. (2005). Early retirement and phased retirement programs for the public sector. *Benefits and Compensation Digest*, 42(4), 31-35.
- Yung-Ping, C., & Scott, J. C. (2005). Phased retirement: Who opts for it and to what end? Washington, DC: AARP.

Want more READINGS?

http://wfnetwork.bc.edu/topic_extended.php?id=13&type=2&linktype=suggested

The Effective Workplace Series provides a summary of the Phased Retirement Topic Page.

To visit the Phased Retirement Topic Page, go to <http://wfnetwork.bc.edu/topic.php?id=13>