

MetLife®



Searching for the Silver Bullet:

Leading Edge Solutions for Leveraging an Aging Workforce



MetLife Mature Market Institute®
David DeLong & Associates

November 2007

THE METLIFE MATURE MARKET INSTITUTE®

Staffed by gerontologists, the MetLife Mature Market Institute, part of the company's Retirement Strategies Group, has been providing research, knowledge management, education, and policy support for over ten years to Metropolitan Life Insurance Company, its corporate customers, and business partners. MetLife, a subsidiary of MetLife, Inc. (NYSE:MET), is a leading provider of insurance and other financial services to individual and institutional customers. For more information about the MetLife Mature Market Institute, please visit the Mature Market Institute's web site at www.MatureMarketInstitute.com.

MetLife Mature Market Institute
57 Greens Farms Road
Westport, CT 06880
(203) 221-6580 • Fax (203) 221-6573
MatureMarketInstitute@metlife.com • www.maturemarketinstitute.com

DAVID DELONG & ASSOCIATES

David DeLong & Associates is a research and consulting firm with expertise in building future workforce capabilities, workforce planning, and knowledge transfer and retention solutions. Dr. David DeLong is the author of *Lost Knowledge: Confronting the Threat of an Aging Workforce*. He is a research fellow at the MIT AgeLab.

David DeLong & Associates
60 Thoreau Street
Suite 238
Concord, MA 01742
(978) 369-5083
info@lostknowledge.com



TABLE OF CONTENTS

Executive Summary	4
Study Methodology	4
Introduction	5
Case Studies	
First Horizon Corporation: <i>Using Flexible Work Arrangements to Keep Good Employees</i>	7
Boston Scientific: <i>How to Transfer Knowledge More Effectively</i>	11
Weyerhaeuser: <i>Preparing Older Workers for the Transition to Retirement</i>	16
The Aerospace Corporation: <i>How to Use Retirees Effectively</i>	21
Four Tactics for Leveraging Retirees in the Workplace	25
Conclusion: Implications for Employers	27
Endnotes	30



EXECUTIVE SUMMARY

As the Baby Boomers begin to retire, the United States, like other developed countries, will experience major changes in the workplace. Not only will older workers be exiting in record numbers, but there also will be fewer middle aged-workers to replace them. As a result, organizations will be at risk for skill shortages in key areas. Retaining and recruiting productive older workers and having mechanisms in place to transfer knowledge before critical skills are lost will be crucial for many companies to succeed in a competitive business environment.

While many organizations have not begun to prepare for the major workforce changes coming, a few have been investing seriously in initiatives designed, at least in part, to improve their utilization of older talent. The MetLife “Searching for the Silver Bullet” study, conducted by David DeLong & Associates, reports on the lessons learned so far. Based on the assumption that every solution creates new challenges, this exploratory research takes a practical look at what works and what doesn’t when trying to take advantage of the increasingly important pool of older talent.

Specifically, this report addresses what employers are learning about how to:

- retain high performing older workers longer;
- effectively transfer and retain their critical knowledge;
- create positive transitions as more older workers retire;
- hire from an increasingly large pool of retirees; and
- adjust strategies to effectively utilize a multi-generational workforce.

Following an introduction to the overriding concerns related to the changing workforce, each section includes a short case study of what an organization has done in this area. These cases are used as the starting point to identify lessons learned and insights from other companies that have tried programs in these areas. The last section draws overall conclusions and recommendations for action.

For employers, this report will provide insights and ideas for actions to take to help their organizations respond to the staffing challenges created by changing workforce demographics and the new employer/employee contract. For employees, our findings may also suggest ways to help understand the changing environment and take advantage of programs that may exist or become available in their own organizations over the next few years.

Study Methodology

The MetLife “Searching for the Silver Bullet” study was conducted for the MetLife Mature Market Institute by David DeLong & Associates, Inc. during the first half of 2007. It consisted of more than 75 interviews in 28 organizations that were identified as pursuing leading edge practices to adapt to an aging workforce. To enhance the findings, more than a dozen experts on aging workforce issues were interviewed. Because there is not enough accumulated experience in dealing with this emerging problem, it is premature to conduct quantitative studies on these solutions. But the success of the initiatives described in these case studies, and insights gained from supplemental interviews, provide some practical early lessons about what works and what doesn’t when addressing the business impacts of an aging workforce.



INTRODUCTION

The aging workforce issue has been front and center in the media for at least five years. Ironically, recent studies show that management isn't really listening.¹ Executives today usually have one of two reactions when the subjects of retiring baby boomers and looming skills shortages are raised. Leaders either find warnings of increased boomer retirements overblown and irrelevant because these concerns don't match what is occurring in their organization. Or the loss of many highly-skilled employees in the next few years feels too overwhelming to address, given more pressing short-term performance issues.

Like it or not, the most "predictable surprise" of the early 21st Century is that a major retirement wave is about to hit most industrialized countries. Even if it doesn't affect every company directly, virtually all will experience the impacts of these changes indirectly because many critical sectors, such as energy, government, aerospace and defense, and healthcare, are looking at incredible jumps in retirement rates in the next five years.²

The increased attrition among older workers is exacerbated by a changing employer/employee relationship, which is the result of decades of reorganizing, downsizing, and outsourcing, as management adapts to an increasingly competitive global market. Some of the most frequently cited evidence of this shifting relationship is in the changes occurring in compensation and benefits packages. Shifts from defined benefit to defined

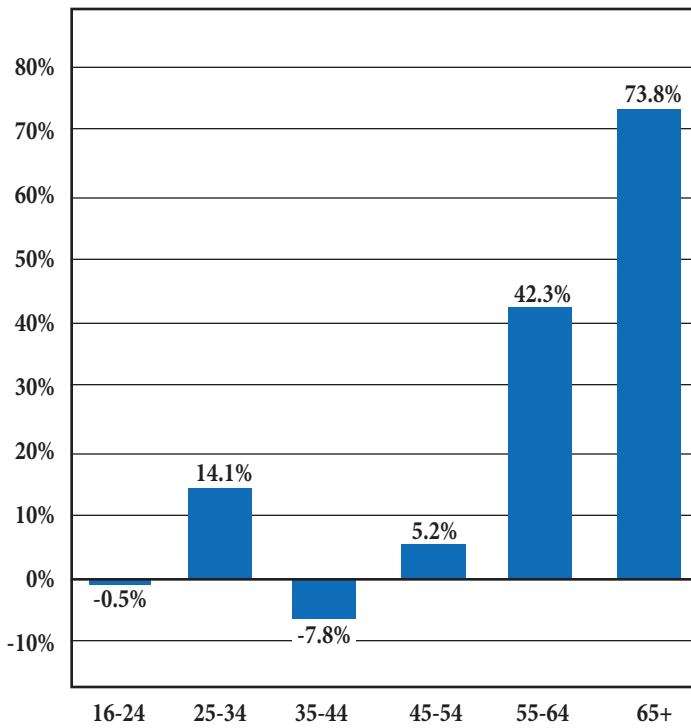
contribution retirement plans and decreased health insurance benefits have been among the most visible trends. What management sees as rational cost cutting, employees often view as another reason not to remain committed to the firm.

This decline in the importance of loyalty in the employer/employee relationship means more voluntary turnover among employees of all ages, but most noticeably among younger and mid-career employees.³ This phenomenon coincides with seismic changes in workforce demographics, which includes not only a rapidly aging workforce in almost all industrialized countries, but also considerably fewer middle-aged workers to replace them, and a much more diverse labor force overall.⁴ The chart on the following page reflects the changing demographics in the U.S. workforce. Clearly, the percentage of workers age 55 and over is increasing much more rapidly than that of those under age 55.

Like it or not, the most "predictable surprise" of the early 21st Century is that a major retirement wave is about to hit most industrialized countries.



Percent Growth in US Workforce by Age: 2004-2014



Source: Mitra Toossi, *Labor Force Projections to 2014: Retiring Boomers*, US Bureau of Labor Statistics, November 2005

The above trend in workforce demographics along with greater turnover among younger employees and increased competition for experienced talent means employers, like it or not, will need to use older workers much more effectively to develop and sustain the highly skilled workforce needed to meet future performance objectives. Of course, improved recruiting and retention among younger workers will be equally critical, but those subjects are getting considerable attention elsewhere.

When the real impacts of baby boomer retirements finally hit in the next few years, many executives will be scrambling to respond. These responses aren't about being nice to "old people." Programs to leverage an older workforce are about business results and meeting strategic objectives. To sustain performance in a changing market for talent, leaders will need to put in place initiatives to:

- retain their most productive older employees as long as possible,
- transfer and retain critical knowledge from experienced employees and managers before they leave, and
- find and hire workers from the growing pool of aging boomers.

Although many managers continue to search for it, there is no "silver bullet" to address the complex challenges that can arise when an organization is confronted with an aging workforce. The practical experience of companies that have already implemented initiatives, however, provides useful insights for others. The case studies and lessons learned that follow have important implications for employers as they begin to confront similar issues in their own organizations.



CASE STUDY 1

Using Flexible Work Arrangements to Keep Good Employees

First Horizon Corporation's Prime Time Program



First Horizon National Corporation, headquartered in Memphis, Tennessee, provides a broad range of financial services through hundreds of offices located in 46 states. Originally known as First Tennessee Bank, the company recently changed its name to reflect its aggressive plans to open branches throughout the United States. First Horizon has more than 12,000 employees who provide services in retail/commercial banking, mortgage banking, and capital markets. Other products and operations include venture capital, equipment financing, and health savings.

As the talent pool for skilled workers continues to shrink, retaining the best older workers will be an increasing challenge for many organizations. Companies will feel growing pressure to provide more flexible work options and phased retirement programs because there is much evidence that increased control and flexibility in work design is an important factor in retaining older workers.⁵ But what can we learn from programs already in place?

First Horizon has a head start in finding the secrets to employee retention. First of all, this company believes that initiatives that work best for older workers are the same ones that help retain good employees of all ages. To retain productive older employees, First Horizon tries to align its policies and practices to retain all high performing workers.

This Tennessee-based firm has worked to build and sustain an employee-focused culture since the early 1990s. And this is not just marketing hype. To show employees they are serious about this objective, leaders have reordered their constituency groups in their annual report, listing employees first, by implication putting them ahead of customers and shareholders in terms of management priorities.

The company then began an ongoing series of employee surveys to find out how workers feel about the company and what will keep them there. Initially, management learned that employees wanted two things: (1) more control over how their work was done and (2) more help balancing their work and personal lives. First Horizon's leaders recognized that workers of all ages don't leave companies. They leave bosses. So the first step in creating a retention culture was training over 1,000 managers in performance improvement, empowerment, and workplace flexibility options. "We had to teach our managers what employees needed and give them support in delivering that," said Vicki Dye, culture and work/life manager.



To assess the effectiveness of the training and the culture change effort overall, the company uses a set of 11 questions, known as the Firstpower Index, to continually ask employees how management is doing. Questions include: Is there someone at work who cares about you as a person? Does management show concern for employees? Do you trust the people you work with across the company to do the right thing?

“We had to teach our managers what employees needed and give them support in delivering that.”

*Vicki Dye
First Horizon
Culture and Work/Life Manager*

One of the key initiatives born out of First Horizon’s attempts to retain its high performing employees is a flexibility program that includes prime-time schedules. This initiative, which also functions as an informal phased retirement program, provides flexible work options for valuable employees who would be expensive to replace. Under the prime-time schedule, employees who work 20 to 32 hours per week receive prorated pay, while retaining full benefits, including health insurance. As long as the reduced schedule does not extend more than five years, working fewer hours has no impact on an employee’s pension because the final calculation is based on the five highest years’ salary out of the last ten. The prime-time option is not available to everyone who wants to cut back their hours. “The deal is it has to work for both the company and the employee,” said Ken

Bottoms, the company’s total rewards manager. “In some jobs, you just can’t have a person working three days a week. But we bend over backwards to make part-time schedules work. It helps us keep some great employees.”

Among the most valued benefits for those in this flexible work program is that they pay the same as full time employees for health care benefits, which is 40 percent of the total premium costs. “We’re not paying them to be loyal,” said Bottoms. “We’re spending about the same amount on benefits as other companies.” But the good will generated by flexible programs like this increases the chances that high performing older workers will stay on board longer.

Lessons Learned About Phased Retirement

First Horizon’s experience with its prime-time scheduling, along with insights gained from other companies in our study, suggest some important lessons. To create effective work arrangements that will encourage valuable older workers to stay:

1. Become passionate about using flexible work arrangements.

Brad Taylor, director of human resources for the R&D unit at General Mills, says in years past part-time work was unheard of at his company. But today, he asserts that his division does everything it can to accommodate employees’ requests for flexible work schedules. Accommodations include compressed work weeks, flexible hours, as well as part-time work. “If you can’t be flexible, people will leave,” said Taylor. “We’ve found that if you’re flexible in allowing older workers to do the outside things they need to do, most don’t want to walk away completely.”



2. Think of phased retirement, or flexible work options, as a program, not a policy.

Both First Horizon and General Mills recognize that it's not practical to offer reduced work schedules to everyone who asks. Some jobs can't support it. Some managers aren't comfortable with the idea. And, frankly, some employees don't deserve it because they aren't contributing enough to begin with. So the opportunity for moving to a part-time schedule shouldn't be made a blanket policy. Of course, defined benefit pension plans often make phased retirement problematic, if reduced schedules will affect final pension payouts.⁶ But even if compensation issues can be addressed, companies with experience in phased retirement recognize that ultimately successful part-time roles must be negotiated between an individual employee and his or her boss. Whenever a part-time work role is created, it should be treated as an experiment by both the employee and the manager, who must be ready to continually refine the new role.

3. Train managers to adapt to more flexible work arrangements.

Not all managers are comfortable with employees moving to part-time work schedules. Sometimes the older worker's request will be clearly impractical. But just as often it will be the manager who needs coaching on how to make a phased retirement arrangement work. At First Horizon, employee relationship managers will sometimes advise managers and their employees how to set up a flexible schedule. Both workers and managers need to be continually reminded that opportunities for flexible work or phased retirement exist, where practical.

4. Manage boundaries on phased retirement roles to keep them healthy.

One paradox of phased retirement, and of

“If you can't be flexible, people will leave. We've found that if you're flexible in allowing older workers to do the outside things they need to do, most don't want to walk away completely.”

*Brad Taylor
Director of Human Resources,
Research and Development Unit
General Mills*

other part-time arrangements, is that those employees that management most wants to retain are more likely to find it hard to limit themselves to part-time hours. Ken Bottoms says that, at First Horizon, he has learned it is important not to make those who have taken on a part-time role feel guilty for not being more available. “These are high performing employees who really want to get the job done,” said Bottoms. “But you don't want to put too much pressure on them to work more because that can undermine the benefits of a reduced schedule, and they're more likely to leave.”

5. When possible, change compensation and benefits that discourage early retirement.

In another financial services company, employees age 55 with fifteen years of service can retire from the firm, and these retirees were paying the same health care premiums as full time employees. But in a move intended to align benefits with desired workforce behaviors, the company recently decreased its subsidy for retiree health care premiums for those who retire early. Studies not only



showed that early retirees were costing the firm twice as much in health care claims as those still working for the company, but the firm also found that early retirees were often going to work elsewhere. They had become more attractive hires because they didn't need benefits. Some of these employees would have been good candidates for the firm's phased retirement program, but there was little incentive to stay. To set premiums more reflective of actual costs and to remove the incentive to leave, these early retirees are now charged almost twice as much for health insurance as those employees who stay. To encourage valuable older employees to consider phased retirement as an option, firms need to look carefully at the behaviors they are rewarding with compensation and benefit plans. These rewards should not necessarily make retirement a more attractive option than continuing to contribute to the organization.

6. Pension regulations will determine phased retirement opportunities in many organizations.

Some companies that want to offer phased retirement options to employees find it is not practical to do so for two reasons. In some cases, final pension calculations are based on salary

levels at the end of an employee's career. Thus, converting to a part-time role with reduced compensation before fully retiring has serious negative consequences on an individual's pension. And, when a retiree is enrolled in a traditional defined benefit plan, there are usually clear prohibitions against collecting any benefits before fully retiring. Thus, many firms today believe that limitations imposed by their defined benefit plans make phased retirement programs impossible. Indeed, conflicts between The Pension Protection Act and IRS regulations have created great confusion for those with this type of plan. But these issues are much less of a concern if employees are not seeking a distribution from a defined benefit plan. For organizations with defined contribution plans, setting up a phased retirement program is much less complicated.

Phased retirement programs offer more flexible, less stressful part-time roles to people approaching retirement. They are an obvious solution for organizations seeking to retain productive older workers for as long as possible. In practice, however, phased retirement opportunities are generally being made available only to the most skilled, highly compensated employees and managers who don't necessarily need the extra income or job security.⁷ Phased retirement will be a useful strategy for continuing to fill critical roles and for extending the time veteran employees will have to transfer knowledge. But, even if pension restrictions are eased, until the talent market gets extremely tight, this approach is unlikely to become a broad-based solution for retaining lots of older workers.



CASE STUDY 2

How to Transfer Knowledge More Effectively From Older & More Experienced Workers

Boston Scientific's Apprenticeship Program



Boston Scientific has more than 29,000 employees worldwide, but the firm's Wayne, New Jersey, plant faces challenges similar to many small manufacturing companies. As the world's largest producer of woven and knitted textile surgical grafts, the Wayne facility is proactively addressing the problems of transferring critical production expertise from older workers to develop a new generation of experienced employees. With more than 15,000 products sold in over 45 countries, transferring technical and manufacturing knowledge like this is essential if Boston Scientific is to maintain its position as a market leader in the manufacturing and distribution of less invasive medical devices.

Like many small manufacturing plants, Boston Scientific's Wayne, New Jersey, facility has been forced to confront the challenges of an experienced and aging workforce. With 250 employees, the Wayne plant is a leading manufacturer of highly engineered surgical grafts and fabrics used to treat vascular disease. Producing these life saving products requires a small group of highly skilled professionals who work with surgical precision in clean room operations.

A risk analysis of plant operations a few years ago revealed that less than 25% of critical managers and professionals were backed up by skilled employees who could fill their positions on short notice. These findings were of considerable concern in certain areas of the plant which had more experienced employees with unique skills that are virtually impossible to hire off the street. For example, 14 specialists in knitting, weaving, and yarn texturizing work on intricate machines that knit or weave special yarn into tube-like grafts. These skilled craftsmen not only set up the machines, which can take weeks, but also repair and troubleshoot them. Their knowledge and skills have been acquired since the late 1950s when the plant first started producing woven vascular grafts. But with some employees now in their 60s and 70s, management recognized that the loss of these skills could cost the company millions of dollars in lost production of these profitable products.

In 2004, Boston Scientific began a plant-wide succession planning program to ensure they had successors for critical positions. As part of this endeavor, the company launched an aggressive initiative to transfer critical knowledge from its knitting, weaving, and yarn specialists to a new generation of employees that could sustain the high-quality manufacturing operation. As a first step, management promoted four apprentices to begin training under their veteran craftsmen.



This meant increasing labor and training costs by hundreds of thousands of dollars for new employees who would not be productive for some time. Leaders recognized this investment was more than offset by the millions of dollars of future revenues at risk if these essential skills were not transferred before key people retired.

“Older workers often tell me that they’d be glad to teach from their experiences, but they don’t know where to begin or how to make sure they’re effective. They need tools and a process that they can follow, plus some way of measuring their success.”

*Steve Trautman
author of “Teach What You Know:
A Practical Leader’s Guide to
Knowledge Transfer”*

Because the plant had a recent history of reorganizations and downsizing, management was aggressive in trying to create a sense of security among the older workers that there was no chance they would be forced to retire as they trained their successors. This required an ongoing communication campaign by their immediate manager, who repeatedly made it clear that the company’s only concern was preserving their skills before they left. “We would hate to see these older workers leave, but we knew their retirement was inevitable sometime,” said Michael Jordan, director of human resources at the Wayne plant.

Still, there was some initial reluctance on the part of the veteran craftsman to teach their less experienced apprentices. This challenge was exacerbated by language barriers, since English was a second language for some, and an earnest belief that the work of the knitters and yarn spinners was “an art” not easily taught. These factors initially created a training process that would take three to five years. Management knew, however, at that rate too many critical employees could be retired before their essential knowledge was passed on. So leaders did two things to accelerate the development process.

- The actual production process was relatively slow and meticulous, making it hard to accumulate useful experience on the job. But because the cost of materials used in production was relatively cheap, managers set up a practice loom and knitting machine for apprentices to develop and test their new skills without disrupting production. This shift accelerated their learning time by almost 50%.
- Management also recognized that this training process was something that would need to occur again and again, as future generations of employees left the company. Thus, they wanted to capture lessons from the current knowledge transfer process. They hired a consultant to document the training process and the content that was being passed on from their veteran craftsmen. “It’s about risk management,” said Jordan. “We have millions of dollars invested in this business, and we don’t want to be dependent on experts who might not be around in the future.”



Lessons Learned About Knowledge Transfer

The story of Boston Scientific's Wayne plant is typical of the knowledge transfer challenges occurring in many manufacturing and technology-intensive work settings today. As in many traditional organizations, an older workforce had developed years of experiential knowledge that must be transferred to sustain and improve future performance. But there are many natural obstacles to leveraging the experiences of these veteran employees before they leave. Some key lessons learned by those companies in our study who have been doing this with some success are:

1. Identify the most critical jobs.

At a large aerospace firm, production leaders in one sector have set up a “war room” to track individuals who might be nearing retirement. On one wall, they have a board covered with colored magnets representing each employee and his or her position on the assembly line. This way, leaders can quickly see which areas might be “one deep” in expertise and take action to develop backup for those capabilities.

Knowledge-intensive businesses that are most effective in preparing for workforce transitions regularly analyze their workforce in the context of strategic objectives. Some knowledge held by older workers will clearly be less important due to shifts in strategic direction, and other new capabilities will need to be acquired. But some skills and knowledge will clearly be at risk, given looming retirements and a lack of replacements in the pipeline. This is where knowledge transfer efforts must be concentrated. The sooner these risks are identified, the more choices management has for taking action.

Today, Boston Scientific's Wayne plant is approaching its goal of 60% replacement readiness. Of the facility's 250 positions, the 60% deemed most critical would have someone capable of immediately replacing the current incumbent. Plant management now does an annual assessment of jobs that could be threatened by turnover. Then they evaluate the difficulty of filling a particular role with an external hire. When they identify specialized jobs for which it would be very difficult to hire replacements, management takes proactive steps to create backup resources.

For example, there are a few other jobs in this plant that require a combination of skills and experience that are very hard to find. To reduce the risk of losing this critical capability, the plant has adopted two strategies. The plant hires a more junior professional to work with a veteran in the role. Then, to hedge its bets, Boston Scientific also begins recruiting for these jobs, even though there is no immediate opening. This way, Jordan explained, the firm can identify potential future candidates and maintain relationships with them, once they have clarified a candidate's career interests in such a position and their willingness to relocate to New Jersey.



Mentoring, like any relationship, evolves over time. Managers must monitor these interactions to make sure they are developing in a productive way.

2. Create effective knowledge sharing relationships between older mentors and protégés.

Skills can't be transferred unless there is somebody there to learn them. The most important step Boston Scientific took was identifying apprentices who could learn the high tech knitting, weaving, and yarn texturizing skills. But simply putting older and younger workers together isn't enough. Managers often make the mistake of thinking they can just tell an experienced worker to go mentor someone. Teaching others how to do your job is not a natural skill, and it usually looks much too time consuming. "Older workers often tell me that they'd be glad to teach from their experiences, but they don't know where to begin or how to make sure they're effective. They need tools and a process that they can follow, plus some way of measuring their success," said Steve Trautman, author of *Teach What You Know: A Practical Leader's Guide to Knowledge Transfer*.

3. Reassure veteran employees that they aren't teaching their way out of a job.

With layoffs, downsizing, and early retirements now a common occurrence on the organizational landscape, older workers may be reluctant to share their knowledge. At Boston Scientific's Wayne plant, management was

very clear that training the next generation of manufacturing specialists wasn't about cost cutting. "You need to understand your motives and be honest about them," said Jordan. "If your motives are cost cutting, you probably need to think of another solution besides mentoring. For us, there was constant communication about what we were doing. We made it clear 'We don't want to lose any of you. We just want to make sure we don't lose your skills when you leave.'"





4. Mentoring is an evolving practice, with each employee taking a slightly different approach.

Different learning and teaching styles, and the need to transfer different types of knowledge, create a lot of variation in mentoring relationships. At the Wayne plant, one older worker initially seemed very reluctant to share his knowledge, but that attitude soon revealed itself as perfectionism phrased as, “No kid can do this job the way I do.” Working with apprentices over time, however, this veteran adopted a more relaxed attitude, becoming less defensive and more trusting. Mentoring, like any relationship, evolves over time. Managers must monitor these interactions to make sure they are developing in a productive way.

5. Set readiness goals and measure progress.

In most cases, a training plan should identify the specific knowledge or skills to be transferred and lay out a time table for completing the task. This keeps the mentoring relationship task-centered and helps managers evaluate the payoff from these training efforts. Readiness goals provide an overall picture of capabilities most at risk. The Boston Scientific plan has an internal replacement readiness goal of 60%. Management knows it is unrealistic to cover all positions, but it constantly monitors the jobs most critical to producing revenue and assesses how difficult they are to fill externally. This makes it clear where they must focus internal knowledge transfer and development efforts. Mentoring expert Steve Trautman adds, “A training plan that lists both the specific skills to be learned and success metrics, such as test questions that can be answered to show knowledge development, are essential to help managers methodically reduce risk.”

“You need to understand your motives and be honest about them. If your motives are cost cutting, you probably need to think of another solution besides mentoring. For us, there was constant communication about what we were doing. We made it clear ‘We don’t want to lose any of you. We just want to make sure we don’t lose your skills when you leave.’”

*Michael Jordan
Director of Human Resources
Wayne NJ Boston Scientific Plant*

The transfer of unique skills and capabilities in complex, knowledge-intensive work environments is one of the most vexing challenges facing managers confronted with an older workforce. While many veteran employees can retire with relatively little impact, downsizing and layoffs have created numerous areas where organizations are “one deep” in critical expertise. Identifying these roles and taking action before it’s too late will become an increasingly important management task. One knowledge manager for a major engine manufacturer said, “The worst call I get is from the manager who rings me on a Friday afternoon and says, ‘My most experienced engineer is retiring next week. What can we do to retain his knowledge?’ I have to tell that manager. ‘It’s too late. There’s nothing you can do.’ There is no silver bullet when it comes to transferring knowledge.”



CASE STUDY 3

Preparing Older Workers for the Transition to Retirement

Weyerhaeuser's Retirement Planning Seminars



Weyerhaeuser is an international forest products company with about 41,000 employees in 18 countries. Its businesses include wood products, like lumber and plywood, as well as containerboard, packaging, and recycling. As one of the world's largest timberland owners, Weyerhaeuser grows and harvests trees in renewable cycles on more than 34 million acres in five countries.

The average retiree watches more than 40 hours of television per week, says Sally Hass, benefits education manager at Weyerhaeuser. It's true. A lot of good retirement years end up being wasted in front of the tube because too many older workers don't proactively plan how they want to spend this next phase of life. Increasingly, however, companies are looking at how they can help older workers prepare more effectively for this new stage of life. Weyerhaeuser offers some of the most sophisticated employer-sponsored retirement planning seminars in the U.S.

Educating employees to reduce uncertainties about retirement and to help clarify their options is becoming an increasingly popular initiative for responding to the growing number of mature workers. But Weyerhaeuser's experience shows that providing this perk produces an interesting combination of impacts – both for individuals and for the organization. Some companies believe coaching workers as they plan for retirement is simply “the right thing to do” for people who have devoted their careers to an organization. Others believe that having a workforce well educated about the financial and emotional challenges of retirement will help them to plan better and make smarter decisions about when to stop working. Older employees who understand how their current job fits into their long term “life plan” are more likely to remain engaged and loyal to the organization. On the other hand, some executives also recognize that helping workers plan thoughtfully for the next stage of life will actually encourage some to leave earlier than anticipated. Regardless of the motivation, a few firms like Weyerhaeuser have been offering retirement planning workshops for many years, and there are lessons to be learned from this experience.



“Having our people retire just above the poverty line would not be good for us. At the same time, we’re not going to be paternal. We expect employees to step up and make good choices.”

*Sally Hass
Benefits Education Manager
Weyerhaeuser*

For older employees who want to explore questions about meaning and purpose more deeply, the company also offers a one day Plus-50 Workshop. Sally Hass explained why Weyerhaeuser added the second workshop, “We weren’t offering any training geared for late career employees. So much of our training is skill building or offerings for new employees. After you’ve been here 20 years, there’s nothing tailored for the late career worker, when they’re looking out and asking, ‘What will my legacy be? What do I want to do next?’”

The Plus-50 offering is a low-key, reflective session that encourages employees and their partners to work hard on determining what really matters in their lives, as a key step in defining what opportunities they want to pursue next. For example, the spouse of one Weyerhaeuser employee had spent much of his career at a large manufacturer and expected to return there as a contractor after formally retiring. But the workshop helped him reconnect with his real passion, which was coaching high school athletics. Thus, he began to seriously rethink his plan to stay in the industry.

“The dilemma I see is that these seminars can help people plan ahead so well that they may leave the company sooner than they would normally,” confessed one Weyerhaeuser manager, who had taken both workshops. Nevertheless, company leaders have remained committed to these retirement planning seminars through a prolonged period of acquisitions, downsizing, and business restructuring that would have led many firms to drop the offerings. “Having our people retire just above the poverty line would not be good for us,” said Hass. “At the same time, we’re not going to be paternal. We expect employees to step up and make good choices.”

Weyerhaeuser invites all its employees over age 50 to take paid time away from their jobs to participate with their partners (e.g., spouses) in a three day retirement planning workshop known as “Healthy, Wealthy & Wise.” About 2,000 people per year take the seminar at different sites across the U.S. and Canada. Recently, Weyerhaeuser even began inviting some of its customers to take the class, as a way of strengthening its business relationships.

This highly interactive educational experience covers the psychological, social, and financial aspects of retirement, encouraging participants to reflect with their partners on how they want to spend the next stage of their life. Weyerhaeuser employees leave the workshop with a thick binder full of tools that includes everything from a checklist for transitioning into retirement to detailed explanations of the company’s retirement benefits. Sections on financial and estate planning are well received, but seminar graduates consistently point to the activities and reflections on finding purpose and meaning in the next stage of life as the session’s most treasured contributions.



Hass added, “Initially, I had a hard time getting the attention of HR on these workshops because we’ve been downsizing for years. HR was closing facilities, saying we’ve got to find places for people. And I’m saying ‘We’ve got to anticipate the looming workforce shortages and think about extending people’s careers.’ It’s hard to hold both mindsets at the same time.”

Lessons Learned About Retirement Planning

One of the keys to getting employees to share critical knowledge before they leave is showing them that the organization has an interest in their long term success. Effective retirement planning helps demonstrate this commitment. It means keeping these lessons in mind:

1. Retirement planning is making sure people have a clear picture or vision of what they are going for.

Most companies offering planning assistance focus on the financial issues facing their employees. While financial planning is a key component of retirement planning, helping people visualize and clarify their life goals and purpose is much more motivational than just

saying, “You should diversify your assets.” Taking a holistic approach to the retirement phase of life provides individuals with a broader context within which to integrate financial planning as it relates to their personal goals and aspirations. There is a lot of research showing that when people have a visual image of their desired outcome, the target is what motivates them to plan and to act on those plans. Employees can put the pieces together, such as health insurance, estate planning, financial planning, purpose, etc. in a way that fits their needs. Organizations add even more value when they get employees started early thinking about these long term goals.

2. Reinforce messages about retirement planning in multiple ways at different times.

People hear with different ears as they move through life. At different times they might respond to e-mail, webinars, printed communications, or face-to-face meetings. Managers must keep reminding employees of where they are headed and how to make the most of their opportunities. It’s also important to recognize the communication preferences of different generations. Younger employees, for example, may prefer electronic formats over other traditional media.



3. Keep retirement planning workshops fun, entertaining, and interactive.

“To encourage people to participate, use a mix of voices and delivery methods,” says Hass, whose sessions regularly fill up a year in advance. “Make this the most fun thing people can do in your company. It shouldn’t feel corporate,” she advises. “We kick off our sessions with a mental health gerontologist who talks about the myths of aging and how to prepare now to get through the transition to retirement. We don’t start talking about asset allocation right away.”

To really impact life planning, don’t wait until employees are about to retire. Help them start planning as soon as they get in the door.

4. Be sure to include partners in these sessions, because people need to have the shared experience to be a foundation for more discussion.

That foundation comes from helping participants be thoughtful about where they are going and the steps they need to take to get there. “It started a conversation for us as a couple about what it would mean to be retired,” recalled Jan Fohrell, who took the Healthy, Wealthy, & Wise seminar twice with her husband before they both retired from Weyerhaeuser. “It really got us thinking about what we saw ourselves doing next.”

5. To really impact life planning, don’t wait until employees are about to retire. Help them start planning as soon as they get in the door.

It may be something as simple as a one hour webinar designed to get to people early in their careers to help them make a few good choices. (For example don’t drive without auto insurance and don’t leave money on the table for your 401(k) plan.) These messages not only have a long term benefit, but they contribute to a sense that the organization cares about its employees, which helps with retention.

6. Help employees understand the actual value of the benefits being provided by the organization.

One advantage of continuously educating employees about the value of their benefits is that they are more likely to understand the implications of the new benefit environment, and what it will cost them if they leave the company. Sometimes older workers make decisions to retire without fully understanding the economic consequences of leaving the organization, given their limited retirement assets and expected longevity. Firms may increase their retention rate of veteran employees by making sure they are fully educated about the economic realities of retirement.



“Providing life planning education throughout an employee’s career has proven to be the right thing for both Weyerhaeuser and our employees. It’s a small investment with a significant ROI.”

*Sally Hass
Benefits Education Manager
Weyerhaeuser*

When companies have multiple sites and career paths, it is also likely that employees will value retirement benefits differently. One large chemical company, for example, recognizes that employees working in its manufacturing plants have a different orientation to benefits than the engineers and scientists working in the firm’s dozens of R&D laboratories around the U.S. Those in manufacturing jobs are more likely to live in small towns and expect to stay with the company long term. Employees in R&D facilities, however, are more mobile and, thus, value more portable retirement benefits. Workers may see different value in specific benefits depending on their life stage, career path, and geographic location. But management should always make sure individuals understand a benefit’s real value, given their situation.

Ultimately, retirement planning is the employee’s responsibility, but there are significant advantages for employers who facilitate the process. Regardless of whether they admit it, many older workers are anxious about retiring and the uncertainties it will bring. Anxious workers are more distracted and less productive. Helping employees plan for this transition is likely to reduce their anxiety, as they clarify the complex issues and decisions they will need to address. In many cases, clarifying financial needs for retirement is likely to help employees make better decisions about when to retire, given their expected longevity.

Companies that help employees move through this transition will inevitably contribute to a greater sense of loyalty among their workforce, which helps in recruiting and retention. Hass notes that it is not in a firm’s long-term interest to produce a lot of unhappy retirees, “Providing life planning education throughout an employee’s career has proven to be the right thing for both Weyerhaeuser and our employees. It’s a small investment with a significant ROI.”



CASE STUDY 4

How to Use Retirees Effectively

The Aerospace Corporation



The Aerospace Corporation, based in El Segundo, California, is an independent, non-profit company that provides technical analyses and assessments for national security and commercial space programs. The firm's highly skilled technical staff provides scientific and engineering support to test, analyze and troubleshoot virtually every aspect of rocket and satellite system design, development, construction, deployment and operation. The company has 3,700 employees.

When the U.S. Air Force launches a defense communications satellite these days, there is a strong likelihood that retirees from The Aerospace Corporation have been involved in the project. While its primary customer is the U.S. Air Force Space and Missile Systems Center, this eclectic group of scientists and engineers provides high level systems engineering expertise and project monitoring capabilities needed to support a variety of space programs.

Many of the company's software and electrical engineers spend their entire careers at Aerospace. Today the average age of the workforce is 49, which includes more than 50 employees over 70 years of age and one in his 90s. About one-third of the firm's employees are currently eligible to retire. While long-tenured workers at Aerospace become retirement eligible at age 55, most stay until their normal retirement age of 62 or 65, depending on their retirement plans.

In the 1980s, management noticed that the firm's employees were routinely retiring and then asking to come back as consultants at higher rates than their salaries when they retired. Because of their unique skills and knowledge, the company's retired technical staff could still add tremendous value to the business, but management needed to get consulting costs under control. Thus, Aerospace created what would become one of the most successful programs in the U.S. for re-employing retirees on a part-time basis. Today, the firm's Retiree Casual program has about 300 retired employees back at any one time. Approximately 600 retirees are usually signed up to participate in the program as part-time employees.



The Retiree Casual program has become an essential part of the culture and a critical resource to meet the firm's changing needs for highly trained and experienced engineers. For example, after 38 years at Aerospace in senior program management positions, Ron Thompson saw the Retiree Casual program as a chance to gradually stop working. After "retiring," he was back at work within several weeks as a consultant on a satellite program that he had previously been involved in managing. Five years later, at age 69, he is still applying his expertise in program management for new satellite projects. "The Retiree Casual program is pretty widely accepted and used," said Thompson. "As a manager, I used casuals, and I think most people in the program enjoy it. It's been a big plus for the company and our customers because of the experience we get to retain."

When employees at Aerospace reach normal retirement age, as dictated by their pension plans, they can formally request to return as a retiree casual after fully retiring. Individuals are then told if their services are needed immediately or if they might be called in the future. Most retiree casuals return to the same areas they were working in when they retired, giving them extra time to transfer knowledge to their successors. Pension regulations limit the amount of time retirees can work to less than 1,000 hours per year without accruing additional pension benefits.

This highly skilled retiree workforce is a great asset for Aerospace because of the uncertainties around the funding of its annual government contracts. Management often doesn't know until a few months into the year how big its contracts will be. Charlotte Lazar-Morrison, the company's HR director, said:

"Our Retiree Casual program is useful as a surge mechanism. If the budget is bigger than expected, we have a temporary workforce waiting there who knows the company and the business. The nature of our contracts has been a key to keeping this program going. It helps us keep a very stable environment because we don't have to hire and fire full timers, which creates cost savings for the company. It also makes employees feel more secure when they don't see layoffs, so morale is a lot better and there is more trust."





Pay rates in the program are set by a company-wide policy, which says retiree casuals get paid at the same rate as when they retired. Former managers may see their pay cut somewhat if they return as individual contributors. Lazar-Morrison is convinced that retirees join the part-time program because they like the work and want to stay connected with their colleagues. They already receive a good retirement package, which includes retiree medical insurance, so additional compensation is not a big motivator.

Whenever possible, management should make sure that returning retirees know that an important part of their role is to transfer their critical knowledge to the next generation of employees.

Lessons Learned About Rehiring Retirees

There are some important lessons drawn from The Aerospace Corporation and other employers who are reconnecting productively with retirees when they can still add value to the business. These lessons include:

1. Don't expect retirees to stay active very long.

Although there are some exceptions, most people end up working approximately three years in the Retiree Casual program at Aerospace before they start developing other interests and become comfortable living on

their pension and savings. Often, leisure time simply becomes more important than work. Retirees who return to their firm usually don't stay more than a few years. Thus, these programs provide a temporary resource during a transition period, not a long-term source of labor. Managers must recognize that rehiring retirees just buys them a little more time to develop successors. Rehiring retirees is dangerous if it creates a false sense of security that the knowledge retention problem has been solved.

2. Educate managers on how to fairly administer a part-time retiree program.

What are the criteria for participation? Have clear policies and practices been put in place? That includes a process for monitoring the work hours of your retirees who are required to work less than 1,000 hours per year, if they also will be collecting pension benefits. There are inevitably some retirees whom the firm will neither need back nor want back in a part-time role. Delivering this message can be difficult for managers. If the organization doesn't need a retiree's expertise, that's legitimate, but guidelines are needed to make sure managers are fair about offering opportunities. It's also important to make retirees aware that they may not be used, so managers are not leading them on.

3. Continually communicate with employees about the availability of retiree casual and other flexible work programs.

MITRE, a non-profit organization that manages government-funded R&D programs, proactively promotes its benefit programs to increase their impact on employees. For example, the company uses its pre-retirement



“It’s not just a matter of having a program on the books. If you want employees to use it and value it, you’ve got to continuously communicate its value.”

*Bill Albright
Director of Quality of
Work Life & Benefits
MITRE*

seminars as a mechanism for advertising the flexible work options available to those approaching retirement age. Existing programs include both a phased retirement initiative for those who want to scale back before officially retiring, and a “Reserves at the Ready” program for retirees who want to come back to work part time. “It’s not just a matter of having a program on the books. If you want employees to use it and value it, you’ve got to continuously communicate its value,” said Bill Albright, who oversees MITRE’s benefits programs.

4. Make knowledge transfer an explicit part of the job for any rehired retiree, whenever possible.

A manager in one large aerospace manufacturer complained that when his firm rehired retirees as contractors they returned only to perform specific jobs and not to train successors. Whenever possible, management should make sure that returning retirees know that an important part of their role is to transfer their critical knowledge to the next

generation of employees. The dilemma in some companies is that once older workers see the opportunity to return after retiring, their incentive to hoard knowledge increases because they see it as their meal ticket to future part-time employment. Managers need to confront this conflict, seeking solutions that will meet the needs of both the organization and the individual retiree.

5. Expand formal rehiring programs to include all types of former employees.

Some organizations, including Monsanto and MITRE, have recognized that all former employees – not just retirees – represent an important source of talent for the company. Monsanto, for example, changed the name of its program from the Retiree Resource Corps to Resource Re-entry Center. “The name was changed because we also want to bring back people who may have left before retirement,” said Wilma Schopp, Global Lead, Compensation and Benefits. Monsanto’s management recognized that because of the firm’s history of acquisitions, spin-offs, and downsizing there were many former Monsanto employees who could be a great asset to the company.

In reality, most organizations today have no *formal* program for rehiring retirees, even though studies have shown that a majority of firms don’t prohibit the practice. In the vast majority of cases, retirees return to work as part of an informal arrangement worked out between a manager and the former employee. This may change over time, however. As the market for skilled talent becomes more competitive, management may become more aggressive in formalizing initiatives seeking to rehire recent retirees.



FOUR TACTICS FOR GETTING RETIREES INTO THE WORKPLACE

There is a virtual cottage industry of companies evolving to help organizations more effectively tap into the capabilities of older workers. They are providing specific capabilities that allow firms to do four things more effectively:

1. Create and leverage a network of former employees.

More organizations today recognize that all former employees, including retirees, can be a cost effective source of recruitment. SelectMinds provides a technology platform and consultation on communication strategies to help firms build and utilize networks of retirees and other former employees. “We are seeing a very different type of retiree now,” said Anne Berkowitch, CEO of SelectMinds. “They want to stay engaged in project work or work two days a week. Enlisting these people as mentors and keeping access to their knowledge of company history, they represent an enormous talent pool for an organization.”



2. Rehire retirees indirectly when pension restrictions prevent direct re-employment.

Retirees receiving payments from a defined benefit pension plan are often prohibited from returning to work on their former employer’s active payroll. Thus, there are a growing number of companies that will serve as an “employer of record” for retirees, leasing them back to their former employers. YourEncore, for instance, maintains a pool of retired engineers and scientists from firms in industries as diverse as pharmaceuticals, consumer products, and aerospace. These highly skilled experts are sometimes leased back to their former employers to work on specific projects.



“We are seeing a very different type of retiree now. They want to stay engaged in project work or work two days a week. Enlisting these people as mentors and keeping access to their knowledge of company history, they represent an enormous talent pool for an organization.”

*Anne Berkowitch
CEO
SelectMinds*

3. Hire retirees with special expertise to innovate on critical projects.

YourEncore also tries to find opportunities to utilize retirees with unique knowledge in other industries. For example, they took a retired aerospace engineer with expertise in large complex project management and applied his skills in R&D for a medical device firm. “We work with companies to understand their key attributes and the things their experts are really good at,” said YourEncore CEO Brad Lawson. “Then we look at firms in other industries where there is a non-obvious complementary need.” As the pool of highly skilled retirees expands in the years ahead, opportunities will increase for applying their talents in innovative ways across industries. But managers will have to be proactive in looking for these connections.

4. Tap the expanding pool of older people seeking employment.

As the market for talent tightens, more employers will begin aggressively recruiting from the ranks of the “working retired,” people who may be collecting retirement benefits, but who still want to work, either full or part-time. A number of employers have made the recruiting of older job candidates a conscious part of their staffing strategy.

To effectively recruit and retain mature workers, organizations will have to pay more attention to their work environments. RetirementJobs.com has developed a rigorous “age friendly” employer certification program that helps firms evaluate their appeal to this increasingly important segment of the labor market. It also helps job candidates identify organizations that make effective use of older workers. RetirementJobs.com uses 53 industry-specific standards to judge companies, because every sector has a different cost structure that makes certain benefits more or less financially viable.



CONCLUSION: IMPLICATIONS FOR EMPLOYERS

Confronting the threat of an aging workforce is turning out to be both a great challenge and an opportunity for innovation. If it was easy, every organization would already be addressing the problem. But it's a hard predicament, and every solution creates new challenges. Here are some of the most important lessons we learned from those organizations that have been working at it the longest.

1. **Decisions about leveraging an aging workforce should be based on how the solutions will contribute to future workforce capabilities.**

The aging baby boomer generation is just one of many changes occurring in the workforce today. Others include sharply higher turnover among mid-career employees and significant shortages of younger workers qualified for skilled positions in fields such as engineering, healthcare, and manufacturing. Thus, utilizing older workers more effectively is a compelling business problem and the focus should be on the outcomes needed – retaining access to capabilities embedded in your most experienced employees. Don't get too attached to the solutions themselves. Focus on the business benefits they provide.



2. **Give managers the tools and programs they need to retain productive older workers, but avoid heavily centralized, overly structured solutions.**

It has been said that workers don't leave companies. They leave managers. Ultimately, retaining critical capabilities depends on the relationships between employees and their supervisors. There are no one-size-fits-all solutions to the problems created by an aging workforce. Unless compensation and benefits offerings are encouraging older workers to leave, employee and knowledge retention is primarily determined by actions at the work unit level. To be effective, managers need programs, like those at First Horizon, Boston Scientific, and The Aerospace Corporation, that they can apply to address their specific situation. These programs *must* have flexibility built in so they can be adapted to specific needs at the work unit level.



3. Invest in the training needed to make retention programs work.

Managers need to be taught how to adapt effectively to use flexible work arrangements, like phased retirement and rehiring retirees. Older workers also need to be taught how to be successful mentors, because teaching others to do a job is not a natural skill for most people. Implementing programs designed to utilize older workers without the necessary training is a waste of resources.

4. Seek to integrate solutions whenever possible.

Because the changing workforce creates such a broad set of recruiting and retention challenges, no single program will solve the problem. Indeed, although the companies described here might have addressed one area effectively, they are probably still struggling to address other human capital issues. One common mistake is the lack of coordination between managers responsible for different aspects of the solution, such as “hard” and “soft” benefits. For example, in many organizations directors of benefits are separated organizationally from work-life balance or health and wellness managers. This results in too many uncoordinated programs where the impact on employees and business performance is unclear.

MITRE has addressed this problem by creating a role to integrate these functions. Bill Albright is director, quality of work-life and benefits. The objective is to put all the resources under one executive who will ensure that all benefits are aligned to attract and retain MITRE’s highly skilled staff, while keeping costs at an acceptable level. “The problem is work-life balance and benefits managers don’t talk to each other,” observed Albright. “But we look at benefits in

a comprehensive way because we believe that strategically your internal brand is as important as your external brand.”

One common mistake is the lack of coordination between managers responsible for different aspects of the solution, such as “hard” and “soft” benefits. For example, in many organizations today directors of benefits are separated organizationally from work-life balance or health and wellness managers. This results in too many uncoordinated programs where the impact on employees and business performance is unclear.

5. Build flexibility into programs and benefits and recognize that programs need to accommodate today’s increasingly diverse multi-generational workforce.

Phased retirement, return to work programs, and elder care benefits may be very attractive to older workers, for example, while younger workers may want more flexibility in terms of telecommuting, job sharing, rotational assignments, and access to day care. Marketing these types of benefits internally and externally in the recruiting process will be more important than in the past as the war for talent heats up.

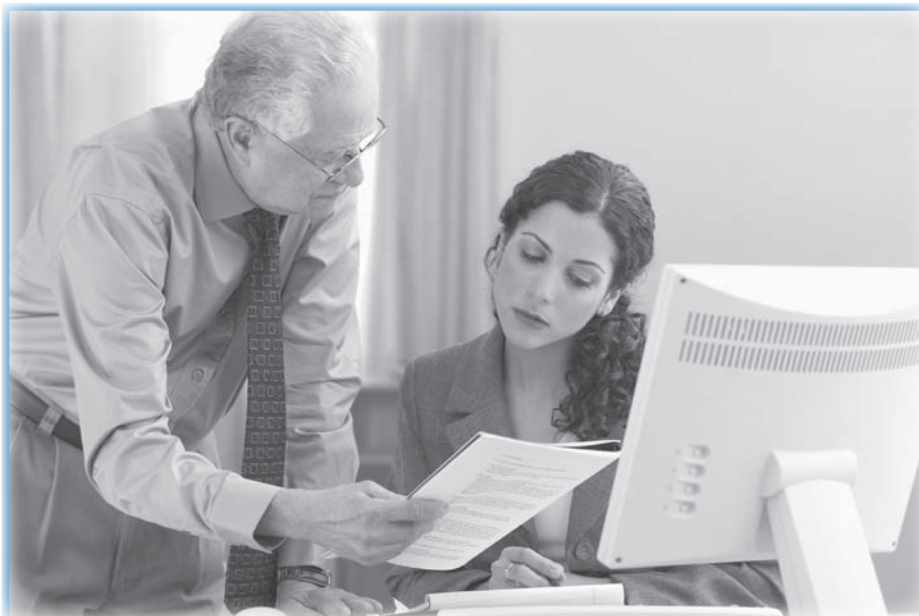


6. Stop searching for the “silver bullet”.

None of the four cases described in this study offers a quick fix. These initiatives don't solve all of their organization's problems that stem from a changing workforce, nor were they implemented overnight. But each has had a clear, if hard to quantify, impact on loyalty, as well as on employee and knowledge retention. And each solution has become integrated into how the company operates.

When it comes to solving the problems created by an aging workforce, the glass is both half empty *and* half full. Organizations can focus on the barriers or the opportunities. Most executives today recognize that their workforce is going to change dramatically in the next decade. A few have begun to take action to address these changes. This report has captured some of the lessons learned from those early adopters. Building on their experience is the best way for organizations to begin turning the threats posed by an aging workforce into new opportunities.

The lesson is that initiatives designed to utilize an aging workforce more effectively must have a clear business rationale, have strong and sustained executive sponsorship, and become part of ongoing business practice.





ENDNOTES

¹Pitt-Catsouphes, M., et al., March 2007. “The National Study Report: Phase II of the National Study of Business Strategy and Workforce Development,” The Center on Aging & Workforce Flexibility, Boston College, Chestnut Hill, Mass., [Online] Available: http://agingandwork.bc.edu/documents/RH04_NationalStudy_03-07_002.pdf [Accessed April 23, 2007]; Nelson, B.M. & Bridges, K., November 2005. “Preparing for an Aging Workforce: A Focus on New York Employers,” AARP Research Report. [Online] Available: http://www.aarp.org/research/work/employment/ny_workforce.html [Accessed April 23, 2007]

²By 2010 the number of workers aged 55 to 64 in the U.S. will increase 52%, while those aged 35 to 44 will decrease by 19%. See Reeves, S., “An Aging Workforce’s Effect on U.S. Employers,” Forbes.com [Online] Available: http://www.forbes.com/careers/2005/09/28/career-babyboomer-work-cx_sr_0929bizbasics.html.

³Bottos, L., November 2006. “Mind the Gap: Knowing What Employees Want is Key,” *Employee Benefit Plan Review*, pp. 20-22.

⁵See DeLong, D.W. 2004. *Lost Knowledge: Confronting the Threat of an Aging Workforce*, New York: Oxford University Press.

⁶This study focuses only on two kinds of flexible work: phased retirement and rehiring retirees for part-time work after retirement. But flexible work options actually include a wide variety of arrangements that alter the time and place that work gets done. These options include: (1) flexibility in the *scheduling* of work hours, e.g., compressed work weeks or flex time; (2) flexibility in the *amount* of hours worked, e.g., job sharing and part-time work; and (3) flexibility in *location* of work, e.g., telecommuting. For more on types of flexible work see Georgetown University Law Center Workplace Flexibility 2010 [Online] Available: <http://www.law.georgetown.edu/workplaceflexibility2010/news.cfm>.

⁶As a general rule, flexible work options that don’t include reduced work hours do not create employee benefits issues because eligibility for most benefits is based on a full time work schedule. But flexible work options that include reduced work schedules may negatively impact an employee’s eligibility for certain employee benefits.

⁷See Hutchens, R. February 2007. “Phased Retirement: Problems and Prospects,” Issue Brief, Series 8, Boston College Center for Retirement Research, Chestnut Hill, Mass. [Online] Available: http://www.bc.edu/centers/crr/issues/wob_8.pdf [Accessed April 23, 2007]; Sheaks, C. & Pitt-Catsouphes, M., 2006. “Legal and Research Summary Sheet: Phased Retirement,” Boston College Center for Retirement Research, Chestnut Hill, Mass. [Online] Available: http://agingandwork.bc.edu/documents/Center_on_AgingandWork_Phased_Retirement.pdf [Accessed April 23, 2007]

MetLife[®]

Metropolitan Life Insurance Company
New York, NY

MMI00081(0807)

L0711196421[exp0813]