



**Storm on
the horizon?**

The UK's mid-life workforce:
navigating uncharted waters



“

Aviva no longer sees investment in age at work as a “nice to do”. We see it as a “need to do”, for Aviva and wider UK employers. We call upon others to follow our lead.

”



Lindsey Rix, Aviva

The role of the Mid-Life MOT

The next decade will see millions of people across the UK move into uncharted territory.

More adults will be saving for their retirement than ever before and more will be entering the age of the pension freedoms than ever before. This brings an even greater need for help and support to navigate these uncharted waters. However, greater choice and opportunity brings with it greater responsibility.

Aviva takes this responsibility seriously. We believe that more support is needed to help those aged 45+ embrace a fuller working life and we think there are several actions the government and employers could consider to fulfil this commitment. These include greater flexibility around state pension withdrawals, redoubling efforts to close the advice gap and using technology (like pension dashboards) to help customers embrace their longer-term investments, like pensions.

We understand there are two levers most people can pull to take control of their later lives. They can try to save more effectively, or they can look at the way they use their savings to fund retirement – for example by extending their working life.

The past decade has focused on the former – getting more people saving. There has been a remarkable success with automatic enrolment driving pension participation to record levels but now the focus needs to move on from simple “participation” to securing an “adequate” level of savings, and managing those savings throughout retirement. However, the choices are complex, and people need support in making those decisions. Closing the advice gap has a key role to play here, but many people do not, or cannot, access regulated financial advice which means they are acting alone, hoping for the best.

In the next 10 years we must also expand our horizon to support the second lever – particularly the need to think more flexibly about retirement. We must ensure that those who would like to work longer have the opportunity to lead a fuller working life. Aviva wants to lead by example.

Our national Mid-Life MOT programme helps people embrace this opportunity by encouraging them to consider their wealth, work and wellbeing needs from the age of 45 and plan for their futures. We’ve learnt that employee demand is great, and that their appreciation is strong. We’ve also learnt that the business case for investing in this area is robust.

What our report has told us is that many people would value help around clearer rules of thumb and interventions to help them navigate mid and later life. To this end, we want industry, employers, regulators and policy makers to work together to make sure that easily accessible help is there for everyone.

Aviva no longer sees investment in age at work as a “nice to do”. We see it as a “need to do”, for Aviva and wider UK employers. And we call upon others to follow our lead.



Executive Summary

Meeting the challenges of an ageing workforce

Aviva's **33-10-10** rule

The UK's workforce is ageing, but our political and business leaders still need to do more to prepare for the impact this will have on UK employers in the coming years.

If we invest in mid-life employees, the benefits could be significant. Their wellbeing will be transformed, the growing risk of intergenerational tensions will be eased, and our competitiveness on the global stage will be enhanced.

But if we fail to prepare, the consequences will be damaging for generations to come. We could see an increase in poverty in retirement; a greater strain on our working population and a UK restricted from investing in its future as it struggles to navigate its present.

Helping people to prepare for a fuller working life will help lighten this burden.

Aviva is calling for UK businesses to take action, particularly if the **33-10-10** rule applies to their workforce.

If an employer can relate to the following rules, it is a good indication of having a significant mid-life worker population that would benefit from enhanced support, through initiatives such as the Mid-Life MOT.

- More than **33%** of the employee population is aged 45+
- This 45+ population carries an average of more than **10 years** of service
- The 45+ population carries an attrition rate of greater than **10%** per annum

UK employers must do more to promote greater employment flexibility and the value of an ageing workforce, by improving the coordination of our national responses to this challenge.

Aviva is continuing to take action to address this challenge and calls upon other businesses to follow its lead.

It also calls upon the government to do more, for the good of society, the economy and for our futures.

Failure to prepare is not an option.



“Accessing Experience”: Aviva’s charitable Foundation has partnered with the charity Business in the Community (BITC) to test ways in which unemployed workers in their 50s can be supported in re-entering the workforce.



It is the first employer-led programme to help people aged 50+ in England boost their employability skills. Lessons from a Bristol-based pilot will be taken to five other cities across England over the next three years. This new project will replicate a National Lottery funded scheme currently underway in Scotland, Wales and Northern Ireland.¹

1. <https://www.tnlcommunityfund.org.uk/news/press-releases/2019-06-06/2m-national-lottery-funding-for-older-workers-in-northern-ireland-scotland-and-wales>

Six challenges of an ageing population

The UK's population is ageing. This brings with it **six challenges** that are driving the need for action.

1. The UK's ageing workforce

The median age of the UK population has risen from approximately 34 to 41 over the past 40 years.² This ageing is being reflected in the UK workforce. Today, there are more than 10 million people over the age of 50 in work – a record high.³

However, Aviva research has identified that 61% of UK adults are worried about the prospect of a longer working life.⁴ This equates to approximately **20 million workers**.

3. The UK's financial pressure

The state provides the largest single source of income in retirement for the average pensioner. It is central to the plans of many. Yet the age at which people can access their state pension is rising, meaning many people are considering working for longer.

Aviva's research amongst employees aged 45+ suggests 32% believe they will not have enough money to retire when they choose, while 45% are worried they will not have an adequate retirement income.⁷

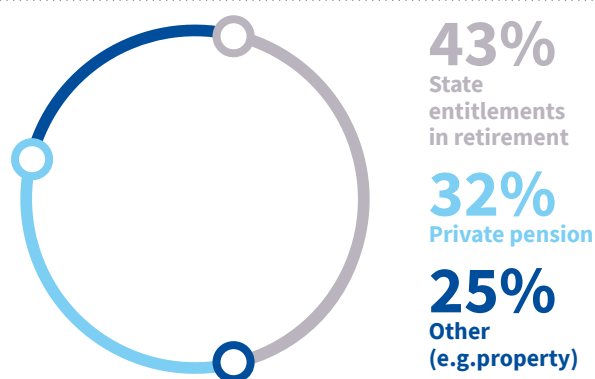
This highlights the importance of planning for retirement. Employers must encourage their mid-life employees to think earlier about saving enough to support their retirement plans. If we don't plan today, then we may wake up with a shock tomorrow.

2. The UK's waste of talent

Although the size of the UK's 50+ working population is growing,⁵ the UK is failing to make the most of this experienced asset. The nation continues to see a collapse in employee participation in employment as people progress through their 50s and 60s. Before people reach their state pension age, most have already exited the workforce.

Aviva's research identified that the average tenure of an employee aged 45+ in the UK is 12 years.⁶ With more than 12 million working people in the 45+ age demographic, the UK risks wasting this invaluable asset.

Average sources of income in retirement⁸



2. <https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/articles/overviewoftheukpopulation/february2016#how-are-the-characteristics-of-the-uk-population-changing>

3. <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/october2019>

4. <https://www.aviva.com/newsroom/news-releases/2019/09/twenty-million-uk-adults-worried-about-the-prospect-of-a-longer-working-life/>

5. <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/november2019>

6. Analysis of OECD tenure data to estimate an overarching 45+ figure: https://stats2.digitalresources.jisc.ac.uk/Index.aspx?DataSetCode=tenure_ave

7. Research of 1,036 UK employers and 2020 employees aged 45+, conducted on behalf of Aviva by Censuswide, January 2019

8. <https://www.gov.uk/government/statistics/pensioners-incomes-series-financial-year-2017-to-2018>

4. The UK's emotional pressure

Pressures on the mid-life generation go beyond finances. An annual survey of wellbeing in the UK⁹ found that those between the ages of 45 and 60 are consistently among the least happy and most anxious in the UK.

This reflects the pressures facing what is often referred to as “the sandwich generation”.

Aviva's research identified that one-fifth (19%) of workers aged 45+ expect to leave their jobs in order to care for an older relative or partner.¹⁰ **This equates to over 2.6 million of the most experienced workers in the UK.**

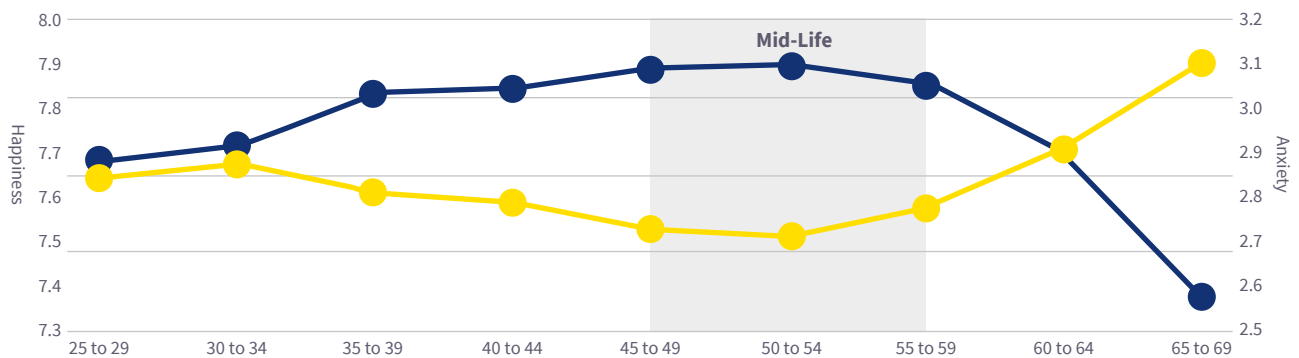
5. The UK's shortage of workers

In 2016 the BITC estimated that about **12.5 million** jobs would be left vacant by people leaving the workforce between 2012 and 2022, yet only **7 million** younger people would enter the workforce to fill them,¹¹ creating a potential **5 million** employee shortfall.

Supporting mid-life employees is an essential response to this shortfall, for the good of the individual and the good of all UK employers.

- Happiness in the UK
- Anxiety in the UK

Anxiety peaks and happiness troughs in mid-life 0-10 scale



6. The UK's future

It is estimated that the UK's 65+ population is set to double in size over the coming century¹² – from 12 million to 24 million. A longer life is to be celebrated, but it brings with it a responsibility for greater pension, healthcare and social care provisions. And this responsibility comes with a price tag. The increased costs of pensions, healthcare and social care have been listed as **key factors** in the Office for Budget Responsibility's projected **£172bn increase in annual public spending by 2067**.¹³

To put this into context, an extra £172bn every year is more than the government currently spends on defence, policing, transport, housing, agriculture and the environment combined. Actions, such as positively supporting a fuller working life today, will ease the weight on the shoulders of all generations tomorrow. A fuller working life will boost the income stream, savings potential and tax contribution of those concerned.

Simply put, the needs of the UK's working population are changing, and businesses – especially those that fall under the **33-10-10 rule** – need to change to reflect this.

9. <https://www.ons.gov.uk/peoplepopulationandcommunity/wellbeing/datasets/personalwellbeingestimatesbyageandsex>

10. Research of 1,036 UK employers and 2020 employees aged 45+, conducted on behalf of Aviva by Censuswide, January 2019

11. <https://ilcuk.org.uk/wp-content/uploads/2018/10/The-Missing-Million-Recommendations-for-action.pdf>

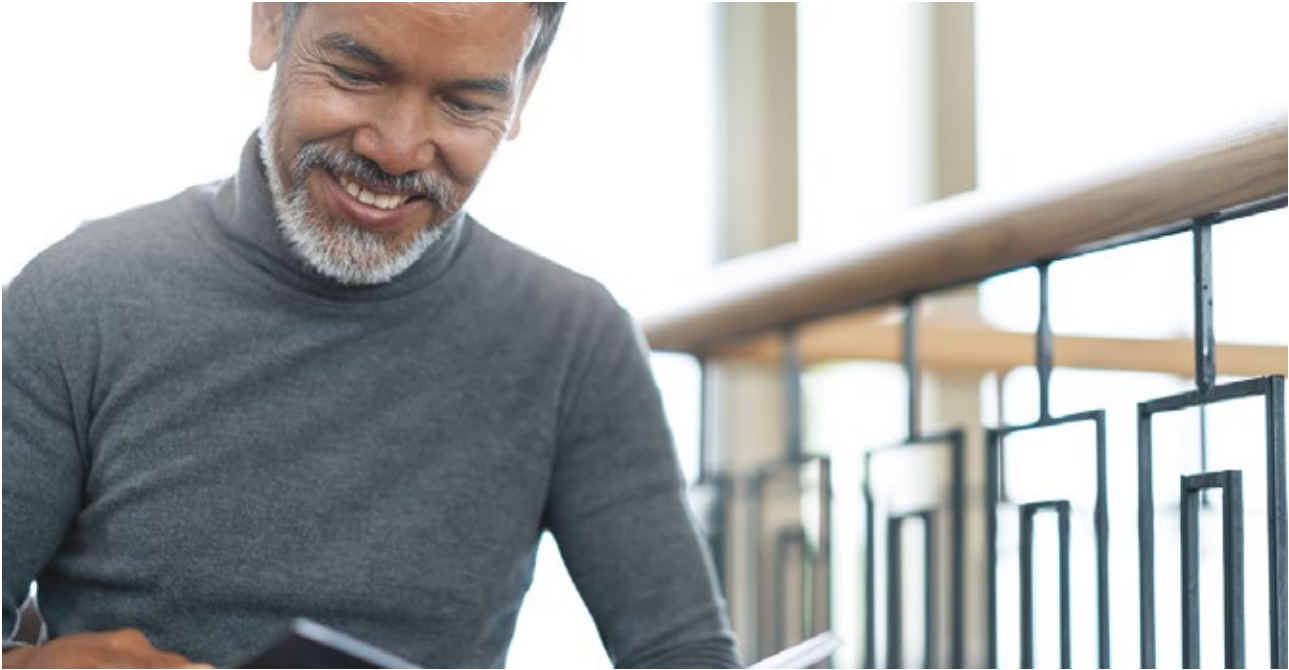
12. <https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationprojections/bulletins/nationalpopulationprojections/2018based>

13. Source: Office for Budget Responsibility: <https://cdn.obr.uk/FSR-July-2018-1.pdf>



Simply put, the needs of the UK's working population are changing, and businesses need to change to reflect this.





What the UK stands to **gain** from **supporting** its mid-life population

What the UK could gain...

A UK that positively prepares and supports mid-life employees will see:

- Increased financial wellbeing among the record numbers in retirement
- Increased emotional wellbeing among the sandwich generation when faced with the increasing need to support younger and older family members
- Improved intergenerational harmony in which the public can see investments today being directed to support people's tomorrow
- Unlocked potential across the UK's workforce
- Enhanced participation driving enhanced productivity.

What the UK could miss...

A UK that fails to prepare for the coming storm and fails to support mid-life employees will see:

- Increased financial hardship among the record numbers in retirement
- Greater strain on the sandwich generation
- Increased intergenerational tension as the state is required to channel resources towards those in later life
- Struggle amongst UK businesses to meet their labour needs
- Impacts to innovation and productivity for the UK.

Aviva's blueprint for a Mid-Life MOT

The role of the Mid-Life MOT

Born from the recommendations of the 2017 Cridland Review of the State Pension Age,¹⁴ Aviva's Mid-Life MOT is a response to help its people meet the challenges and opportunities of a fuller working life. Aviva wants its employees aged 45 and over to take time out to consider their wealth, work and wellbeing needs at this mid-point in their lives. Ultimately, the business wants to offer them support so age does not become a barrier to opportunity. Below is an outline of how Aviva has structured its Mid-Life MOT programme.

 Two hours	 Once-a-year	 Face-to-face group guidance and discussion
 Led by experts	 Backed by print and online resources	 Optional follow-up one-to-ones with a financial adviser
Covering management of wealth, work and wellbeing, the content of each section includes:		
Wealth	Work	Wellbeing
<ul style="list-style-type: none"> Budgeting Retirement planning <ul style="list-style-type: none"> 1: The state pension 2: Private pensions Debt and mortgages Wills and inheritance Funding long-term-care Financial advice and guidance 	<ul style="list-style-type: none"> The rise of older employees in society The sense of purpose that work can bring Training and personal development (including apprenticeships) Support for flexible working and Work-Life balance Employee rights (Abolition of the default retirement age) Carers' support National Careers Service, Skills Check 	<ul style="list-style-type: none"> NHS health screening and health checks Exercise Healthy eating and drinking Menopause Mental health Sleep Social wellbeing (including volunteering, fund-raising and community)

Results – 7 positive impacts of the Mid-Life MOT

- | | |
|--|---|
| <ul style="list-style-type: none"> 1 Strengthened employee confidence in their approach towards a fuller working life 2 Heightened employee awareness of where to seek additional support 3 Challenged cultural misconceptions about age in the workplace | <ul style="list-style-type: none"> 4 Improved retention of experienced talent 5 Increased personal saving for retirement 6 Reduced absenteeism due to physical or mental ill health 7 Boosted productivity driven by enhanced employee engagement |
|--|---|

SUMMARY

The objective is not to transform the participant from novice to expert in two hours. The objective is to boost the participant's **confidence**, boost their **awareness** of where to seek additional support, and boost their **appreciation** of their employer as an employer for all ages. Delivery sends the clear message that age is no barrier to opportunity.

14. <https://www.gov.uk/government/publications/state-pension-age-independent-review-final-report>

Three motivations driving Aviva's Mid-Life MOT – from “nice to do” to “need to do”

Aviva has chosen to respond to the challenges of an ageing workforce.

A good understanding of the **33-10-10** rule and the growing importance of its 45+ population has moved the debate from “nice to do” to “need to do”. This led to the implementation of the Mid-Life MOT, which was piloted in 2018 and rolled out to its employees across the UK in 2019.

Insights in three areas motivated Aviva to take action:

Scale

Aviva employs more than **15,000** people in the UK. One in three of these people are aged 45 and over.

Experience

The average tenure of the c5,800 people aged 45+ at Aviva is **17** years. This vital cohort carries an incredible **100,000** years of experience with Aviva between them.

Concerns

Aviva research identified that almost two in five respondents (37%) did not feel that age was a barrier to career progression and development,¹⁵ highlighting that there is still work to do to address the concerns of the three-in-five who do have this concern.

These insights drove Aviva to invest in its 45+ population – for the wellbeing of Aviva's people but also for the wellbeing of Aviva as a business.

15. Research of 1,036 UK employers and 2020 employees aged 45+, conducted on behalf of Aviva by Censuswide, January 2019



Two key lessons from Aviva's Mid-Life MOT

Challenging perception

A primary objective of Aviva's internal Mid-Life MOT is to equip people with the tools they need to make more informed decisions about their future – whether this is about their wealth, work or wellbeing. Aviva wants to challenge the perception that age could be seen as a barrier to opportunity.

1. Demand is high

An immediate piece of feedback from the 2019 launch was the demand for enhanced support and guidance from the 45+ population. Although wealth was the biggest draw, there was a desire for enhanced guidance and support for wellbeing and work too, reflecting the truth that our lives, and our plans, relate to more than just money.

Although the sessions were voluntary, all were fully booked in advance.

2. Confidence, Awareness and Appreciation – all boosted

Aviva's Mid-Life MOT carried no expectation that a once-a-year intervention could transform an individual from a novice into a wealth, work or wellbeing expert. But there was an aspiration that, in the short term, it could:

- boost the **confidence** of the individual, enabling them to make more informed decisions
- boost their **awareness** of where they could seek more support and guidance and bringing planning for retirement front of mind
- boost **appreciation** of Aviva as an employer for all ages

Participants were asked to rate their views of appreciation, confidence and awareness before and after each session:

- Confidence achieved an average +22% boost,
- awareness achieved an average +34% boost; and
- appreciation of Aviva achieved a +10% boost.

+22%
Confidence

+34%
Awareness

+10%
Appreciation

The **business** return on **investment**

Aviva commissioned the International Longevity Centre (ILC) UK to conduct a review of existing literature¹⁶ to consider the potential business benefits that investing in employees could have. This was complemented with a series of interviews of Aviva's Mid-Life MOT participants.

The ILC-UK could identify no other evidence around employer programmes that matched Aviva's three-pronged approach, focusing on wealth, work and wellbeing, with face-to-face guidance for the mid-life population. The ILC-UK did however identify research that supports the links between investment in people and business performance.

Findings include:

- Concepts related to **confidence**, such as self-efficacy and psychological capital, have been linked to improved productivity, improved employee performance, and reduced absenteeism
- Employee **engagement** can be enhanced through support programmes, and this in turn can improve job performance, reduce intentions to leave, and drive greater "organisational citizenship" for the benefit of businesses
- One study found that businesses with the most engaged employees have **21% higher productivity, 22% higher profitability, and 37% lower absenteeism**
- Employee wellbeing and wellness programmes have demonstrated a **wide range of positive results** with respect to business outcomes, including lower absenteeism, better job performance and higher intention to stay at the employer. These non-financial investments can be more effective in driving employee engagement than pay and benefits.

ILC-UK also conducted a small number of interviews with employees who had undertaken a Mid-Life MOT at Aviva. Recurring themes from these include:

- A boost in confidence, particularly with respect to financial planning;
- A perception of feeling valued, strengthening a sense of empowerment to work longer;
- Greater reassurance and a reinforced positivity toward the company.

The research demonstrates that there is evidence linking participation in programmes like the Mid-Life MOT to business benefits. As these programmes are rolled out further there is an opportunity to deepen the evidence around these links.

The full ILC-UK report can be read at www.ilcuk.org.uk/reports

16. Beach, B, Holden, D (2020) Building the case for mid-life career interventions, International Longevity Centre-UK

Five-point scorecard: How a business should measure a Mid-Life MOT programme

Considering a Mid-life MOT

When considering the need for a Mid-life MOT, Aviva recommends its 33-10-10 rule.

If an employer can relate to the following rules, it is a good indication of having a significant mid-life worker population that would benefit from enhanced support, through initiatives such as the Mid-Life MOT.

- More than **33%** of the company's employee population is aged 45+
- This 45+ population carries an average of more than **10 years** of service
- The 45+ population carries an attrition rate of greater than **10%** per annum

Measuring a Mid-life MOT

Over time, Aviva proposes measuring the deeper business impacts of the initiative, with a focus on:

- **Productivity:** Investing in people is good for customers and ultimately good for business.

Measures:

- Employee engagement by age
- Employee absenteeism by age

- **Empowerment:** Empowering people to take control of their wealth, work and wellbeing will help them make the most of a changing world.

Measures:

- Employee participation in training programmes, such as the Mid-Life MOT, by age
- Employee engagement with their workplace pension, by age

- **Retention:** A supportive workplace will help companies retain the best talent, regardless of age.

Measure:

- Employee attrition by age

Aviva's Mid-Life MOT five-point scorecard, for the 45+ working population:

Employee engagement, by age

Employee absenteeism, by age

Employee participation in training programmes, by age

Employee engagement with their workplace pension, by age

Employee attrition, by age



Delivering the Mid-Life MOT **outside** of Aviva

Aviva is one of more than one million employers in the UK. The demographic pressures described throughout this report are not unique to Aviva – other employers are not immune to the ageing of the UK population.

Aviva has a strong history of supporting employers across the UK. Thousands of companies already work with Aviva in the provision of workplace pensions, healthcare and insurance for their staff.

In 2019, Aviva offered the Mid-Life MOT to five companies it works with. The **33-10-10** rule applied to all five.

The external Mid-Life MOT programme followed a similar format to Aviva's own Wealth-Work-Wellbeing structure. Feedback was sought from the external Mid-Life MOT participants, with similarly positive results.

Over 95% of external Mid-Life MOT participants were supportive of the programme and agreed that the wealth, work and wellbeing focus was “useful”.

Based on the successful pilot, Aviva plans to offer its Mid-Life MOT for other employers throughout 2020.

DEPARTMENT FOR WORK & PENSIONS' MID-LIFE MOT

In 2019, the DWP launched its first online Mid-Life MOT service. This free resource highlights the public support available to help people manage their work, health and money, from mid-life onwards.

It includes guidance on NHS resources, introduces the National Careers Service and explains how to request a state pension forecast.



Four divisions of international progress: meeting the challenges of an ageing population

Is the UK in division 3?

The need to support those in mid-life is not unique to the UK. This section looks at how the UK's response compares to other nations.

The Organisation for Economic Co-operation and Development's (OECD) 2019 study of ageing and employment practices – “*Working better with age*” – studies the actions of 36 leading economies in their support of a fuller working life.¹⁷

On a global stage, the UK performs well when it is judged on the **opportunities to work longer** and **employability of older workers**. There is however room for improvement when it comes to the **age of exit from the labour market**, **employment rate** and **incentives to working longer**.

A simple combination of the five OECD metrics could suggest that the UK is in division three for its support for longer working lives, if you take an average score. Aviva agrees that reaching such a conclusion could be an oversimplification, but there is strong evidence that there is scope for improvement in the UK.¹⁸

17. https://www.oecd-ilibrary.org/employment/working-better-with-age_c4d4f66a-en

18. OECD older workers scoreboard: <http://www.oecd.org/els/emp/Scoreboard%20on%20older%20workers.xlsx>

Opportunities to work longer

- The UK ranks 9th out of 36

Age discrimination appears to be less deeply rooted in the UK, relative to other European countries. A minority of hiring managers in the UK were found to believe that knowing an applicant was over 55 would disadvantage their possible recruitment.

Retention of workers aged 55+ was stronger in the UK than the OECD average. About 51% of older workers in the UK were found to have a job tenure of five years or more, compared to an OECD average of 47%.¹⁹

Employability of older workers

- The UK ranks 9th out of 36

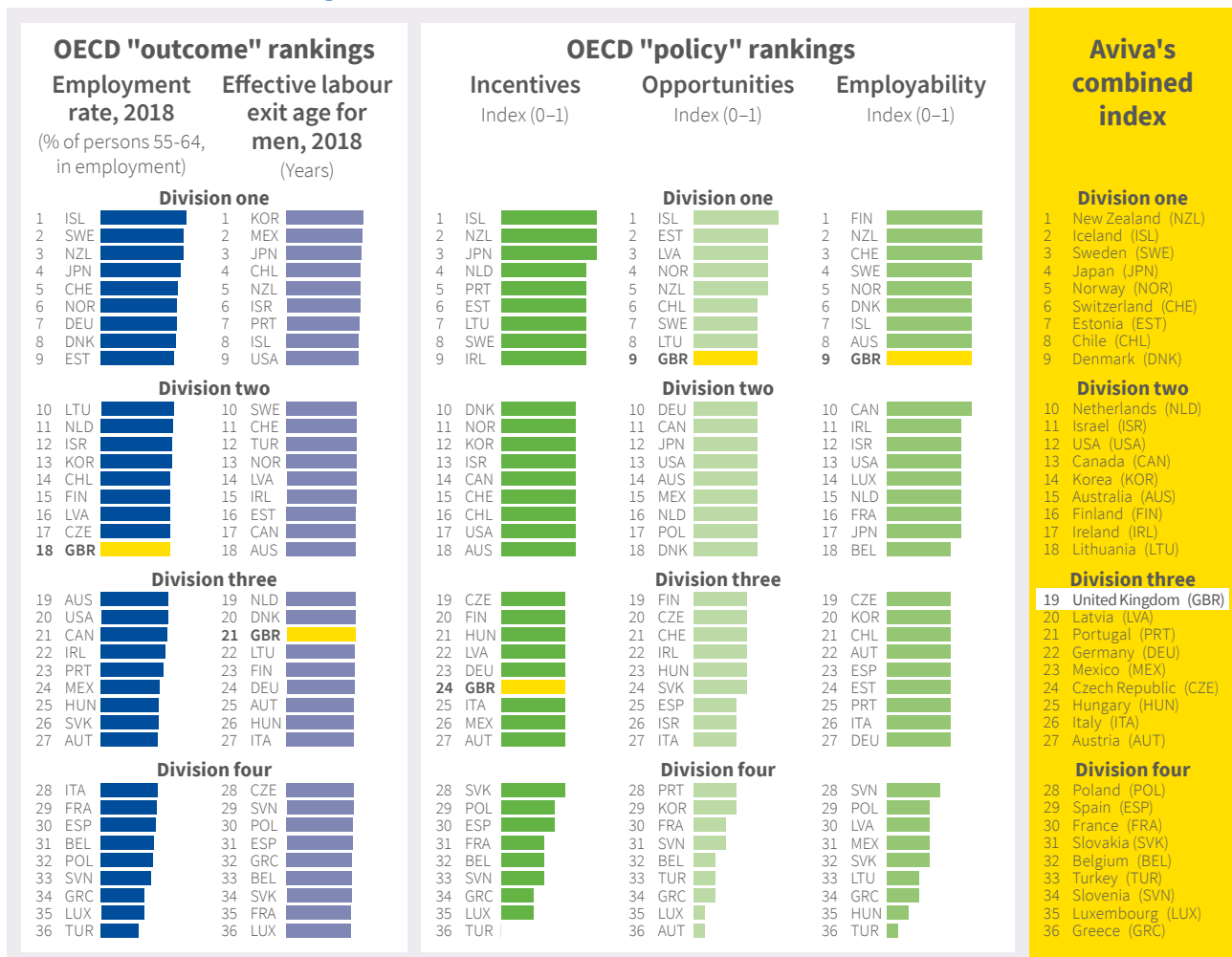
As with opportunities to work longer, the employability of older workers is a relative strength for the UK.

When it comes to **job-related training** older employees are less likely to participate in job-related training than their younger cohorts (those aged 25 to 35).

Across the OECD, the 'training gap' is 24% – with 49% of younger workers participating in it, compared to 25.5% of older workers. In the UK, the gap is also a significant 22%, but training is generally wider – with 55% of younger workers participating in in-job training compared to 33% of older workers.

Working conditions play a key role in the employability and sustainability of workers in the labour market. "Job strain" is a measure of job demand relative to job resources, and positively, evidence of job strain in the UK among older workers (50-64) is below the OECD average for this age group.

OECD and Aviva rankings²⁰



19. OECD older workers scoreboard: <http://www.oecd.org/els/emp/Scoreboard%20on%20older%20workers.xlsx>

20. Aviva analysis of the OECD older workers scoreboard. Aviva's combined index is compiled by adding and averaging the respective ranks from each of the OECD's five areas of analysis. Note: The OECD has not participated in, endorsed or otherwise supported Aviva's use of the OECD material.

Employment rate of people aged 55-64

- The UK ranks 18th out of 36

In the UK, 67% of people aged 55-64 are reported to be **participating** in the labour market, above the OECD average of 64%.

But, the UK's pace of improvement is falling behind. Over the past decade in the UK, there has been a +7.5% increase in labour market participation among those aged 55 to 64. This is below the OECD average, and markedly below the likes of Hungary, Italy and Lithuania who have all exceeded +18%.²¹

Effective retirement age for men and women

- The UK ranks 21st out of 36

The UK has seen a +2.2 and +2.7 years increase in effective retirement ages since 2000, for men and women respectively. However, both these metrics are slightly below the OECD average of +2.3 and +2.8 years, for men and women respectively.

Incentives to work longer

- The UK ranks 24th out of 36

“Incentives” is an OECD word to describe policy actions that have been taken by government to drive more to pursue a longer working life.

On the surface, the UK is taking actions to “incentivise” a longer working life. It has a **rising state pension** age which drives later retirement; **early access to the state pension** is not possible, thereby deterring early retirement; and the concept of a “**default retirement age**” was abolished in 2011, making it illegal for an employer to terminate employment based on age alone.

But the OECD questions the effectiveness of these incentives. In the UK, the age at which 25% of people aged 40+ have retired from the labour market is a relatively low 58 for men and 57 for women.

Based on the OECD study, three areas of focus for the UK should be:

- Greater **flexibility** as people approach retirement.
- Greater **promotion** of the benefits available to an ageing workforce.
- Greater **coordinated investment** in training and development for those in mid-life and beyond.



21. OECD older workers scoreboard: <http://www.oecd.org/els/emp/Scoreboard%20on%20older%20workers.xlsx>

Spotlight on **how 10 countries** across the globe are **ensuring a fuller working life**

Japan: Japan has the world's oldest population. President Abe has created a cabinet-level position of Minister for Ageing, and every year the Government recognises 100 employers for their support for diversity in the workplace, including age management.²²

Poland: The national "50+ friendly" campaign encourages employers to demonstrate their support for older workers and the Kobieta 50plus²⁴ network which promotes the interest of women over the age of 50 in all areas of life.

Norway: The "inclusive work agreement" promotes co-operation between social partners and the government on age management. The agreement has three goals: a 20% reduction in sick leave; increased employment of people with reduced functionality ability; extending the effective age of average exit from the labour force.²⁶

Ireland: The Irish Senior Enterprise Initiative promoted entrepreneurship among workers aged 50 and over.²⁸

Germany: The public employment agency supports the training of low-skilled and older workers in SMEs through its "WeGebAU" programme, providing a 100% subsidy for micro-enterprises. The Federal Ministry of Labour and Social Affairs launched and financed the Perspektive 50 Plus - Employment Pacts for Older Workers in the Regions which aims to re-activate and integrate older workers (50+) into employment.

Netherlands: The government-sponsored "vacancies for all ages" programme screens newspaper and internet job adverts to challenge the evidence of age discrimination.²³ Workers aged 45 and over can participate in subsidised career development guidance (Ontwikkeladvies).

France: The national "generations contract" (contrat de generation) reinforces the support for intergenerational partnerships in the workplace, recognising younger and older workers as complementary rather than substitutable in business.²⁵

USA: The America Association of Retired Persons (AARP) leads its Employer Pledge Program. This unites a nationwide group of over 1 000 employers that stand with AARP in affirming the value of experienced workers and are committed to developing diverse organisations.²⁷

Austria: Austria's Public Employment Service's (AMS's) "come back" hiring subsidy (2/3 of wages) targets unemployed men aged 50 and over and unemployed women aged 45 and over.²⁹

Australia: The national "Career Transition Assistance Programme" for job-seekers aged 45 and above combines tailored career assistance and functional digital literacy training using different types of technology.

22. Japan: https://fpcj.jp/en/j_views-en/recent_editorials-en/p=38199/

23. Netherlands: https://www.unece.org/fileadmin/DAM/pau/age/Policy_briefs/ECE-WG1-30.pdf

24. Poland: <https://www.kobieta50plus.pl/>

25. France: <https://www.gouvernement.fr/action/le-contrat-de-generation>

26. Norway: <https://www.regjeringen.no/contentassets/fc3b4fed90b146499b90947491c846ad/the-ia-agreement-20192022.pdf> and file:///C:/Users/mcqueea/Downloads/Ageing,%20Employment%20and%20Retirement%20Policies%20in%20Norway.pdf

27. USA: <https://www.aarp.org/work/job-search/employer-pledge-companies/>

28. Ireland: <http://www.seniorenterprise.ie/>

29. Austria: https://www.oesterreich.gv.at/themen/arbeit_und_pension/aeltere_arbeitnehmer/1/2/Seite.2010120.html

Calls to action to ensure opportunities for a **fuller working life**

Aviva advocates the following five actions to move the UK towards a national Mid-Life MOT programme

1 State pension flexibility

The default retirement age was abolished in 2011, stopping employers from compulsorily retiring workers once they reached the age of 65. This is welcomed; however, the state pension age continues to act as an artificial “hard line” in the working lives of many. Aviva calls upon the government to allow people to make flexible withdrawals from their state pension from their state pension age.

2 The advice gap

There are more people saving for retirement than ever before, but individual responsibility for financial planning is also greater than ever before. A minority of people have confidence in planning for their future, yet the vast majority do not or cannot access regulated financial advice. This means millions are acting alone, hoping for the best. Aviva calls upon the government, the regulator and all concerned to redouble their efforts to close the UK’s advice gap.

3 Government co-ordination

The government's industrial strategy gives focus to the "grand challenges" facing the UK, including ageing. Responsibility for enacting age-related recommendations is currently fragmented across many government departments. In the area of a longer working life it is being positively led by the Department for Work & Pensions. However, greater cross-governmental co-ordination could drive greater results. We encourage the government to consider Japan's approach to this challenge with its creation of a single government lead for ageing in society.

4 Employer incentivisation

Aviva’s experience evidences the business benefits of age-related investments such as the Mid-Life MOT. Discussions, however, indicate that a minority of employers are yet to prioritise this commitment to their ageing workforce. Aviva calls upon the government to use the tax system (via reliefs or deductibles) to incentivise age-related investments by employers.

5 Unleashing technology

Seven-in-10 adults regularly use the internet for banking, yet only one-in-10 use it to manage their longer term “investment services” like pensions. The potential for the internet to help people embrace their longer lives is huge and untapped. The pension dashboards will bring online pensions to millions. Aviva calls upon all dashboards to include an educational hub that directs the user towards the educational services of the Money and Pensions Service and the Department for Work & Pensions online Mid-Life MOT.



We must do more to promote greater employment flexibility and the value of an ageing workforce, by improving the coordination of our national responses to this challenge... failure to prepare is not an option.





Beyond these calls to action, there are many actions employers can take today to ensure that age is no barrier to opportunity in the workplace. The Business in the Community and Centre for Ageing Better already recommend the following five immediate actions, which Aviva would like to endorse:³⁰



1.

Be flexible about flexible working: offer more kinds of flexibility, manage it well and help people know their options.

2.

Hire age positively: actively target candidates of all ages, and minimise age bias in recruitment processes.

3.

Ensure everyone has the health support they need: early and open conversations, and early and sustained access to support for workers with health conditions.

4.

Encourage career development at all ages: provide opportunities for people to develop their careers and plan for the future at mid-life and beyond.

5.

Create an age-positive culture: equip HR professionals and managers to promote an age-positive culture, and support interaction across all ages.



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