

# Ageing workforce and the RRA: Insights on Workforce Retention and Sectoral Differences



Singapore mandates employer re-employment for ageing workforce retention

## Retirement and Re-employment Mandate

Singapore, a nation rapidly transitioning into a "super-aged" society, faces both challenges and opportunities with its ageing workforce. An innovative policy response is the Retirement and Re-employment Act (RRA), introduced in 2011. The Act requires employers to offer eligible workers re-employment, with retirement and re-employment ages set to reach 65 and 70 respectively by 2030. This enables them to remain in the workforce if they wish to. This study examines its overall effectiveness in retaining older workers and how its impact varies across different occupational characteristics.

## Evaluating the RRA's impact on employment

In 2011, the Act required employers, from 1 January 2012, to offer re-employment to eligible workers turning 62, until they reach 65. This created a natural experiment, splitting the workforce into:

- Those covered by the mandate (aged 62 or younger in 2012), and
- Those not covered (aged above 62 in 2012).

By comparing these two groups of workers through a regression discontinuity (RD) design, we can tease out the potential impact of the RRA on employment.

Figure 1: Sample proportion of individuals that are retired, by gender.



Note: In this article, retirement refers to RHS respondents who were not working, not actively looking for a job and reported that they are not working due to non-economic related reasons. 1



Having RRA coverage reduced retirement rates, and increased work hours and income significantly.



Losing RRA coverage leads to increased retirement rates and reduced monthly income.

The effect of the RRA is visible in Figure 1, which shows the share of retired individuals by age and gender. Retirement rates rise with age, albeit with lower retirement rates among those below age 64 – which corresponds to the age threshold set by the initial RRA implementation.

Among workers covered by the mandate, the RRA is associated with three key outcomes: retirement rates fall by 8.3 percentage points, working hours increase by around 1.7 hours, and monthly income rises by approximately \$600 (Table 1).

**Table 1: Impact of RRA re-employment protections on Wave 1 employment outcomes**

	Retirement rates	Weekly Hours Worked	Monthly Work Income
<b>Impact of RRA</b>	-8.3%***	1.657*	\$586.27**

Statistical significance: \*\*\* p<0.01, \*\* p<0.05, \* p<0.1

Additionally, we assess the RRA's impact by examining employment outcomes of workers once they pass 65, when its re-employment provisions no longer apply. Using Wave 2 of the RHS conducted in 2016, we compared these "formerly protected" workers with those still covered. For these workers who lost protection, three key outcomes emerged: retirement rates increased by 5.6 percentage points, monthly income dropped by approximately \$700, and weekly working hours remained unchanged (Table 2).

**Table 2: Impact of losing RRA re-employment protections on Wave 2 employment outcomes.**

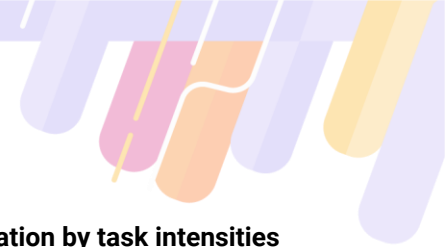
	Retirement rates	Weekly Hours Worked	Monthly Work Income
<b>Impact of losing RRA protections</b>	5.6%***	-1.334	-\$674.89**

Statistical significance: \*\*\* p<0.01, \*\* p<0.05, \* p<0.1

Taken together, evidence from the first two RHS waves indicates that the RRA has been effective in raising senior employment.

## Uneven benefits of the RRA across Sectors

To examine how occupations influence re-employment outcomes, based on routine vs. non-routine and manual vs. analytical task contents. The classification resulted in four categories, as illustrated in Table 3.



**Table 3: Illustration of occupational classification by task intensities**

	Routine	Non-Routine
Manual (Physically Demanding)	<ul style="list-style-type: none"> <li>• Sales Workers</li> <li>• Stall Holders</li> <li>• Food Processing, Woodworking, Garment, Leather and Other Craft and Related Trades Workers</li> <li>• Butchers, Fishmongers and Related Food Preparers</li> </ul>	<ul style="list-style-type: none"> <li>• Personal Care Workers</li> <li>• Teacher Aides</li> <li>• Protective Service Workers</li> <li>• Police Officers</li> </ul>
Analytical/Interactive	<ul style="list-style-type: none"> <li>• Hospitality, Retail and Related Services Managers, Hotel Operations and Lodging Services Managers</li> <li>• General And Keyboard Clerks, General Office Clerks</li> </ul>	<ul style="list-style-type: none"> <li>• Legislators, Senior Officials and Chief Executives</li> <li>• Administrative And Commercial Managers</li> <li>• Finance and Administration Managers</li> </ul>

The effectiveness of policies aimed at promoting older worker employment varies significantly depending on the nature of the job. Regression results using occupational classifications show that the RRA has a varying effect on re-employment.

We find significant impact of re-employment mandates in highly routine jobs. **Routine jobs**, potentially requiring less adaptation, may be more suited for older workers who can continue to perform at the same pace as a younger worker.

Workers in **routine and analytical jobs**, such as customer service and clerical work, saw a 17.2 percentage point increase in re-employment, while those in **routine and manual jobs** benefited less (Table 4). This reflects the challenges of sustaining physically demanding work at older ages. Sectors characterised by high physical demands are more likely to see ageism, particularly as physical capabilities naturally decline with age. While the RRA has somewhat uplifted re-employment for these workers, many may not continue in such roles. This aligns with broader research suggesting that workers are more incentivised to stay in a job for which they can perform physically. This underscores the need for complementary policies that provide reskilling pathways to less physically demanding roles.



Routine and analytical jobs show significant re-employment gains; routine and manual jobs less.



**Non-routine jobs** typically require higher levels of human-capital training, particularly in **non-routine and analytical/interactive jobs**. The results suggested these workers had better re-employment outcomes as expected, but the evidence was not definitive.

**Table 4: RD estimated effects of the RRA on retirement based on occupational characteristics**

	Routine	Non-Routine
<b>Manual/Physically demanding</b>	0.059* (0.033)	0.046 (0.040)
<b>Analytic/Interactive</b>	0.172*** (0.045)	0.037 (0.041)

Robust standard errors in parentheses  
 Statistical significance: \*\*\* p<0.01, \*\* p<0.05, \* p<0.1



Education differences reflect varying occupational demands affecting retirement timing

We also conduct separate regression discontinuity by education levels, using education as a proxy for occupational characteristics. Four categories were analysed: primary, secondary, post-secondary, and diploma/degree.

Table 5 shows that mandatory re-employment offers raised senior employment at all education levels, with stronger effects among higher-educated groups: post-secondary and diploma/degree holders compared to primary and secondary. These differences suggest the RRA’s effects vary across occupations, which aligns with research showing that the physical and mental demands of work affect when people choose to retire.

**Table 5: RRA’s effect on Wave 1 Retirement, by education level**

	Re-employment			
	Primary	Secondary	Post-Secondary	Diploma/Degree
<b>RRA-eligible</b>	0.083*** (0.030)	0.048 (0.034)	0.175** (0.069)	0.101* (0.060)
<b>Age</b>	0.018*** (0.005)	0.021*** (0.004)	0.024*** (0.007)	0.030*** (0.008)
<b>Male</b>	-0.309*** (0.015)	-0.305*** (0.019)	-0.198*** (0.044)	-0.202*** (0.033)
<b>Socioeconomic controls</b>	Yes	Yes	Yes	Yes
<b>Observations</b>	4,056	2,519	582	740
<b>R-squared</b>	0.272	0.265	0.222	0.237

Robust standard errors in parentheses  
 Statistical significance: \*\*\* p<0.01, \*\* p<0.05, \* p<0.1



## Conclusion

Our findings highlight that RRA has effectively raised senior employment, particularly in sectors with low manual demands. However, physically demanding roles remain more vulnerable to ageism and early exits from the workforce. This underscores the need for targeted strategies, such as:

- Tailored support for workers in highly physically demanding occupations.
- Upskilling and reskilling opportunities to facilitate transitions to less physically demanding work.
- Awareness campaigns and training to counter stereotypes about older workers.

Singapore is at a pivotal moment in shaping an age-inclusive workforce. With an ageing workforce, a thriving and dynamic Singaporean society needs to have policies to provide robust support for our older workers. Achieving fair employment outcomes requires tackling occupational differences, physical job demands, and age-related bias. By combining inclusive hiring practices with skills development and workplace adaptation, Singapore can unlock the potential of its mature workforce and foster a more productive, innovative, and socially cohesive intergenerational workforce.

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This article is a summary of the chapter “Impact of Singapore's re-employment Mandate on Employment” from the PhD thesis “Analysing the relationship between retirement, ageing, and healthcare utilisation: Evidence from Singapore”.