

EXITING WITH CARE

Employers have a role in preparing staff for the psychological aspects of retirement

By *Glenn Kauth*

While at a previous job with a school board, Karla Kochan would often see teachers quickly scale back their retirement plans after they had stopped working.

“We would see teachers retire, and three months later, they were on a sub list because they didn’t know what to do with themselves,” says Kochan, who’s now senior manager of human resources and payroll at the Agriculture Financial Services Corp., a provincial Crown corporation based in Lacombe, Alta.

Retirement, of course, has major financial implications. But what Kochan was also seeing was the impact of the non-financial issues: the social and psychological factors that also play a big role.

Kochan’s current organization is addressing the issue by helping employees nearing retirement prepare for the psychological aspects of leaving work. In her case, the assistance is fairly straightforward: staff nearing retirement can meet with one of the organization’s human resources consultants to talk about their plans. It’s a simple solution, but often just thinking about those issues is key given that so many people retire without planning for them.

“Work defines them,” says Kochan of the many long-term employees at her organization, which

provides loans as well as crop and farm income disaster insurance in Alberta. “It’s who they are . . . so it’s a huge loss when they retire.”

It’s an issue Mariella Vigneux sees regularly in her work as a coach specializing in the non-monetary aspects of retirement. “Companies will help you with financial planning, but there’s no lifestyle planning that goes along with it,” says Vigneux, who runs her practice in Owen Sound, Ont.

Terror and excitement

After starting her practice as a coach on life- and work-related issues, Vigneux quickly discovered the “cauldron of emotions that starts bubbling up” as people near retirement.

“It’s half terror and half enthusiasm and excitement,” she says.

The key issues, according to Vigneux, include the loss of identity referred to by Kochan. “They have



title. They have power. They have security and a big income, and suddenly they're retired," says Vigneux.

"They don't know how to say who they are now except, 'I'm a retired teacher,' or 'I'm a retired lawyer.'"

Other emotions include the sadness of leaving colleagues and the loss of routine. "Suddenly, you have nothing on the calendar," says Vigneux.

Besides the more practical issues, the emotions can go deeper to things like having a sense of purpose and the retiree's relationship with a partner or spouse. "Things have changed completely when one or both of you is suddenly at home," says Vigneux, citing the need for people to have lives and friends independently of each other. "It's like you're in a new relationship because suddenly, everything is up for grabs."

For those who don't plan or manage the transition well, the consequences can be significant. According to Vigneux, they include depression, alcohol or drug addiction and inactivity. "To avoid that, a little bit of planning can help," she says.

Finding a sense of purpose beyond the golf course

Those involved in retirement planning say the current wave of retirees is somewhat different from the stereotypical image in that the focus isn't necessarily on golfing and time in the sun. "It seems that leisure will be a component . . . but it won't be the main focus as it has been in the past," says Kate Dack, a coach at Retirement Coaching Canada based in Victoria.

The big focus, according to Dack, is increasingly on "contribution activities."

"It raises that sense of life satisfaction," she says, emphasizing that while volunteering is one way to contribute, people are looking for more meaningful opportunities. "But the baby boomers who are retiring now, they don't want to go into the community centre and lick envelopes," she says, noting a key aspect of retirement planning is figuring out what people's interests and skills are and how they can apply them.

"The people that match their skills and the world's needs come back to report that the experience is like no other," says Dack, adding that other options besides volunteering include entrepreneurship and going back to school.

The employer's role

What, then, is the employer's role in helping employees plan for the non-financial aspects of retirement and what are the benefits to companies?

One of the advantages of providing assistance with retirement preparation in general is better succession planning. With programs ideally helping both companies and their employees get a better idea of when they're going to retire, employers should find it easier

to plan for their departure. "It gives them a longer time to train a replacement," says Lizann Reitmeier, health practice leader at Buck Consultants.

At the same time, planning that lessens the anxiety as people get closer to retirement can help them maintain their productivity, says Dack.


"It helps us to transition very well," says Kochan of the benefits of her organization's retirement planning efforts.

Options for employers include providing seminars that cover the non-financial aspects of retirement planning. Dack says sessions can cover areas such as relationships in retirement, building a vision and an action plan, and potential relocation options. When it comes to relocating, that's an attractive option for many people considering the typical retirement dream, but it can come with its own pitfalls as retirees are now far from their social networks and families. For that reason, Dack advises people not to jump into a permanent move. "If you're thinking of being an expat in Panama, go down and try it for a few months," she says.

A phased approach

In fact, trying it out is something people like Dack advise employers to consider when it comes to retirement. One way to do that is to offer phased retirement so those approaching that stage can gradually ease out of their jobs by working part-time or even doing consultancy work after they leave. "I think that benefits both the employee and the employer," says Reitmeier.

But according to a recent survey by Morneau Shepell, few employers are embracing that option. The survey found just six per cent of employers said they made reduced hours an option for employees nearing retirement age. And while slightly more than half of employers said they consider reduced hours on request, 31 per cent said they don't provide that option except in rare circumstances. When it comes to the psychological aspects of retirement specifically, only 11 per cent of employers offer group sessions on that issue, the survey found. A further 27 per cent don't offer any retirement planning programs at all.

For Vigneux, a key aspect of successfully transitioning employees to retirement is giving them some choice around the timing and the process itself, both of which involve at least having some sort of conversation in advance. That means, she says, avoiding one of the big mistakes many employers make: "Handing somebody a shoebox with all of their personal belongings and then walking them out the door makes it really difficult." 

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FINDINGS ON EMPLOYER SUPPORT FOR RETIREMENT PLANNING

In a recent survey, Morneau Shepell asked employers about retirement planning programs geared to employees within five to 10 years of retirement. It found:

55% provide information on an internal or service provider's website or other tools

48% offer group financial planning or education sessions

19% make individual retirement planning and education sessions available

11% deliver group sessions to assist employees with the psychological transition to retirement

27% don't offer any retirement planning programs

Source: Morneau Shepell's October 2015 60-second survey