Working It Out

Fact: older workers are calling for more years in the work force, because of an unstable economy, booming costs and dwindling pensions. This may actually be necessity for companies, according to Shirley Davis, director of diversity and inclusion at the Society for Human Resource Management, since as much as 20-30% of a workforce still can be lost to retirement in a one-to-two year period. Regardless, with this group representing the most costly worker, having less energy than their younger counterpart and possibly getting confused with the more recent generation's way of communicating, it's important to strike a balance in how many older workers are kept on. Furthermore, it's about knowing the tax laws, says Davis. Retired workers who come back full time aren't necessarily seen as an independent contractor, which can get a company penalized by the IRS if they don't declare the worker correctly. In addition, there may be costs from a higher amount of sick days taken and rising expenses of employee benefits. For the worker, they can actually be penalized on their social security payments for making "too much money" in a given year. This may cause them to abruptly quit or suddenly want a decrease in hours even though you have certain expectations. Davis says the smartest way to deal with all of these issues is to get an honest answer from your advancing workforce on their retirement plans several years in advance. "Find out where (the worker) stands as early as possible," she says, "so you can figure out how it will work best for you and them financially."