Taiwan's Response to Demographic Changes: Employment Policies for an Aging Population

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Presentation Outline

1 Demographic Challenges

Taiwan's rapidly aging population and workforce implications.

2 Legal Framework

The Middle-aged and Elderly Employment Promotion Act and policy mechanisms.
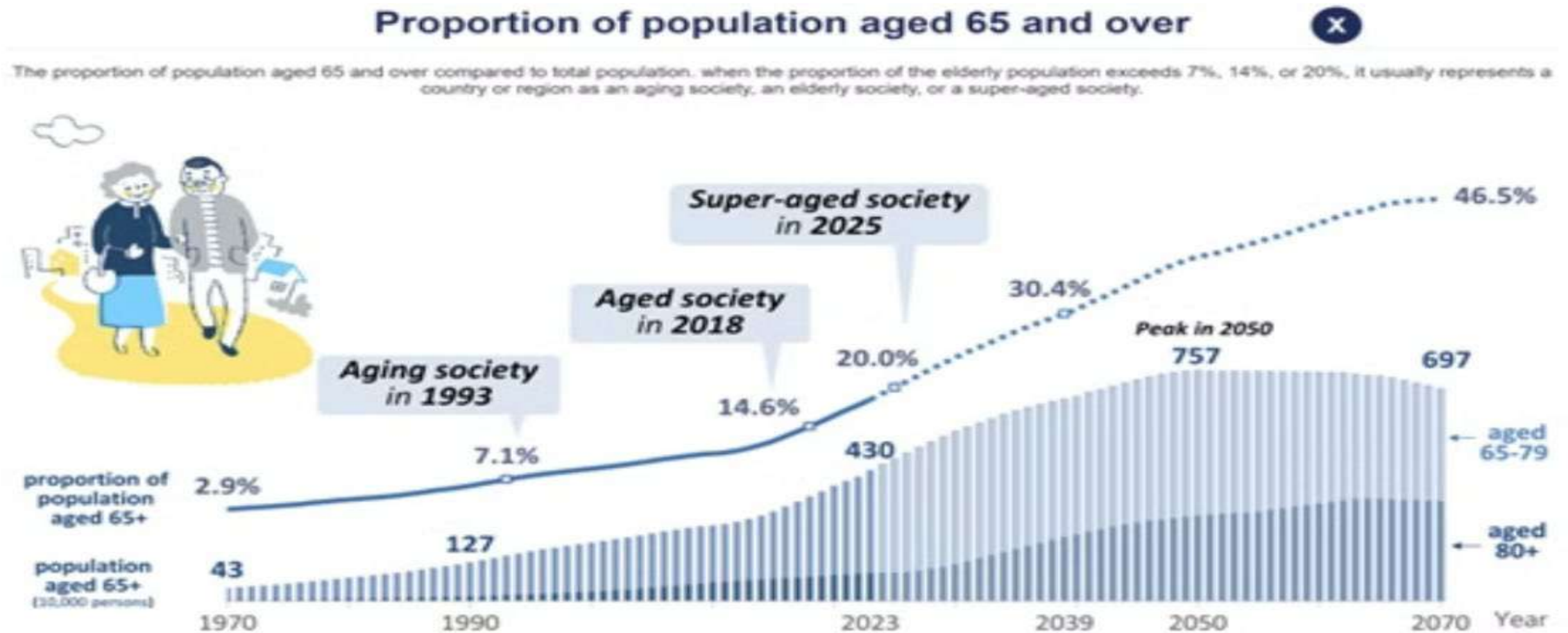
3 Key Policy Components

Six major initiatives from anti-discrimination to pension adjustments.

4 Outcomes and Future

Achievements, challenges, and future directions.

Demographic Challenges in Taiwan

Taiwan faces significant shifts in population structure with major workforce implications.

Proportion of population aged 65 and over

The proportion of population aged 65 and over compared to total population. when the proportion of the elderly population exceeds 7%, 14%, or 20%, it usually represents a country or region as an aging society, an elderly society, or a super-aged society.

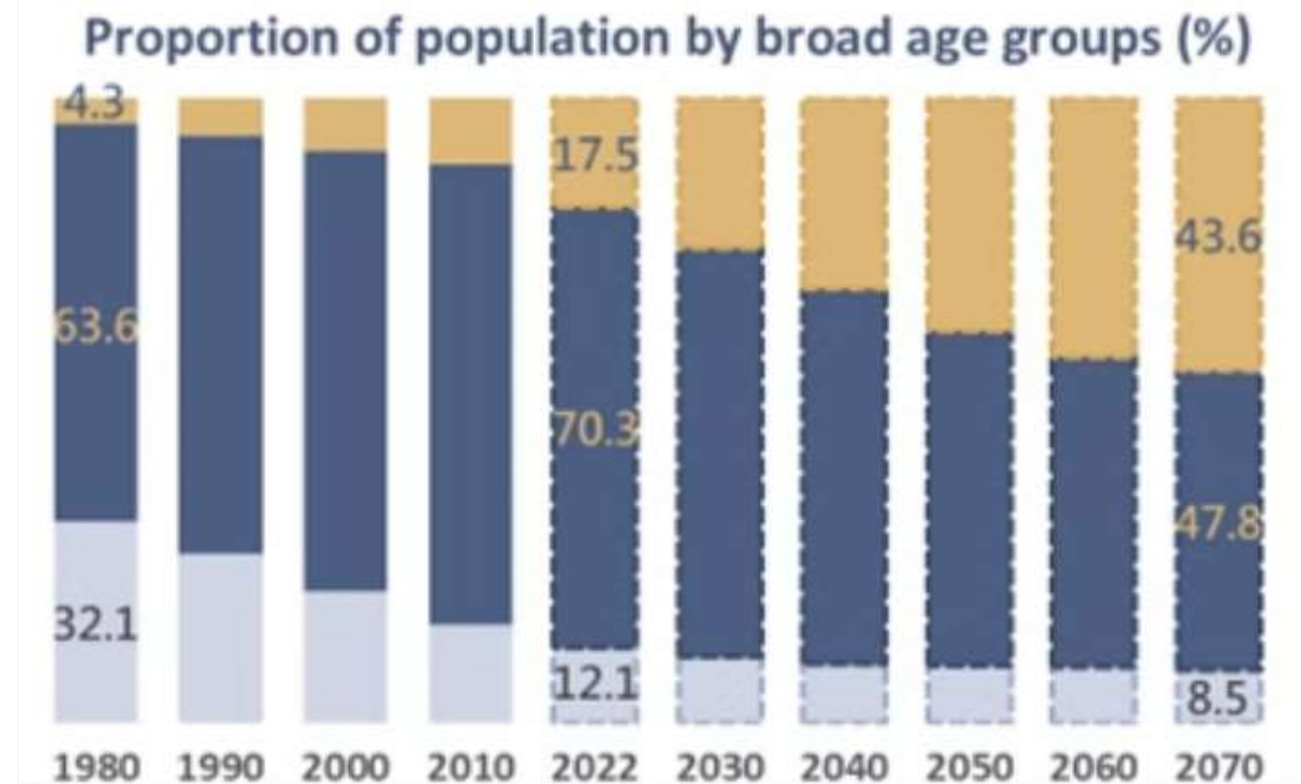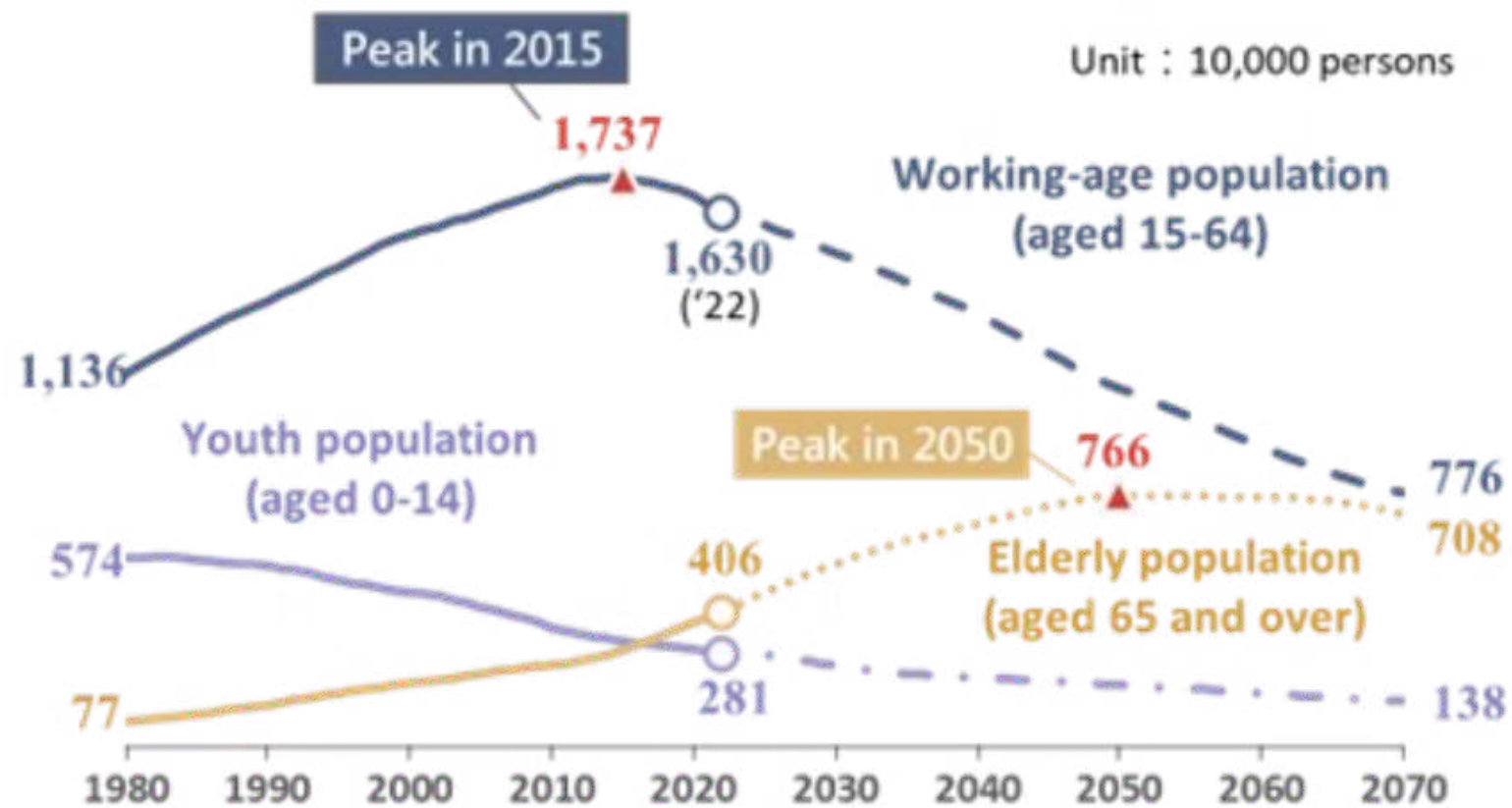| 1	Super-aged by 2026	2	Dramatic 2070 projections
	20%+ population aged 65+		46.5%+ population aged 65+

3

Transformation of Population Structure

Labor Force Participation Rates

Taiwan's participation rates lag behind Japan, South Korea, and the US.
With an average retirement age of 64.3 years, there's significant untapped potential in the older workforce.

Labor Force Participation Rates of Middle-aged and Elderly in Major Countries
2023
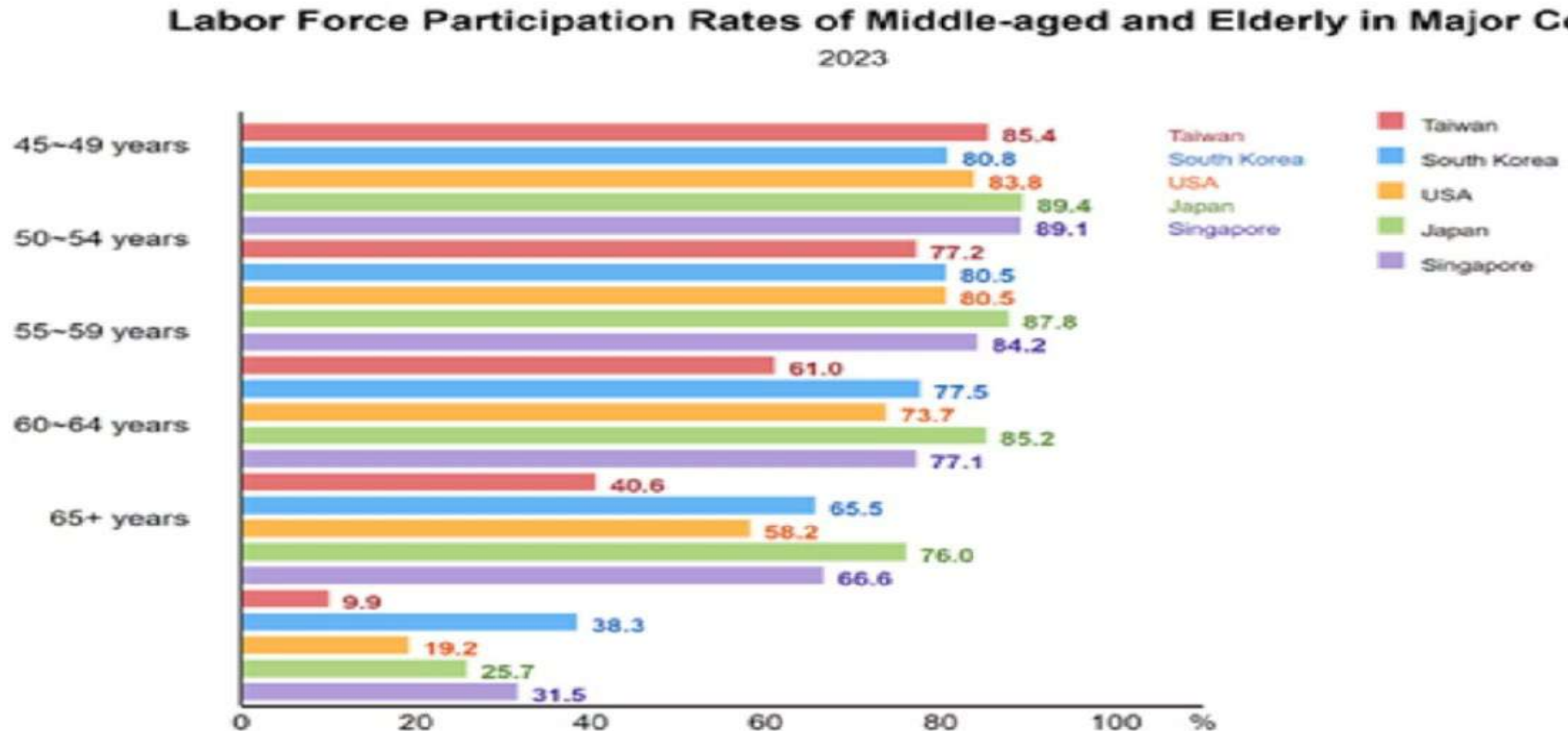
Middle-aged and Elderly Employment Promotion Act

Enacted December 2019

Comprehensive legal framework covering workers aged 45+.

One Flexibility

Relaxed regulations for workers 65+.

One Prohibition

Ban on age discrimination.

Three Subsidies

For unemployed older workers, workplace redesign, and businesses retaining elderly workers.

Six Key Policy Mechanisms

Anti-discrimination
Protecting older workers

Employment stability
Supporting continued work

Unemployment assistance
Helping job seekers

Re-employment support
Post-retirement options

Silver Talent Program
Specialized services

Pension adjustments
Financial incentives
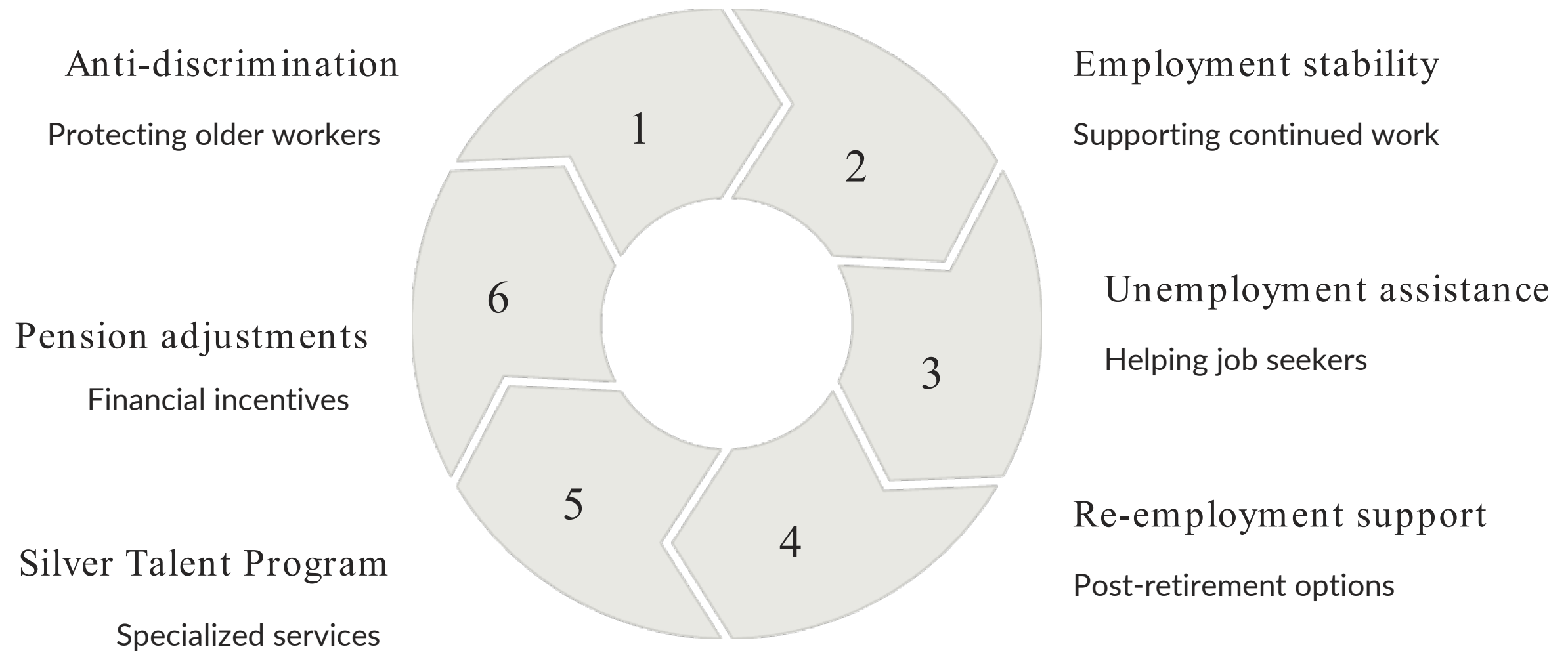
Anti-Discrimination Measures

1 Comprehensive Protection

Prohibits direct and indirect age discrimination in recruitment, promotion, evaluation, training, compensation, and retirement.

2 Significant Penalties

Fines range from NT$300,000-1,500,000 (USD $9,500-47,500).

3 Employer Accountability

Burden of proof on employer. Protection against retaliation for complaints.

4 2024 Amendments

Explicitly codify that employers and employees may negotiate to extend employment beyond the mandatory retirement age of 65.

Employment Stability Support

In-service Training

Programs with subsidies to keep skills current.

Job Redesign

Workplace accommodation subsidies for age-friendly environments.

Knowledge Transfer

Intergenerational programs to preserve expertise.

Continuous Employment

Up to NT$15,000 monthly subsidies for businesses retaining older workers (for a maximum of 12 months).

Post-Retirement Re-employment Support

Flexible Arrangements

Special contractual options for workers 65+. Exemption from fixed-term contract limitations.

Targeted Subsidies

Support for pre-retirement preparation programs. Incentives for hiring retired workers to transfer knowledge.

Talent Database

Matching system for retired professionals. Preserves valuable expertise and experience.

Unemployment Assistance

Specialized Counseling

Career guidance and job matching tailored to older workers' needs.

Training Programs

Pre-employment training with 70-85% subsidization.

Entrepreneurship Support

Assistance for new ventures, including intergenerational businesses.

Financial Allowances

Cross-regional employment allowances, temporary work allowances, and workplace adaptation subsidies.

Silver Talent Service Program

Service Centers

Network of support centers modeled after Japan's successful system.

Diverse Opportunities

Temporary, seasonal, part-time, and community service positions.

Intergenerational Exchange

Programs promoting cooperation and knowledge transfer between generations.

Pension System Adjustments

1   2009: Age 60

Initial pension eligibility age.

2   2019: Age 61

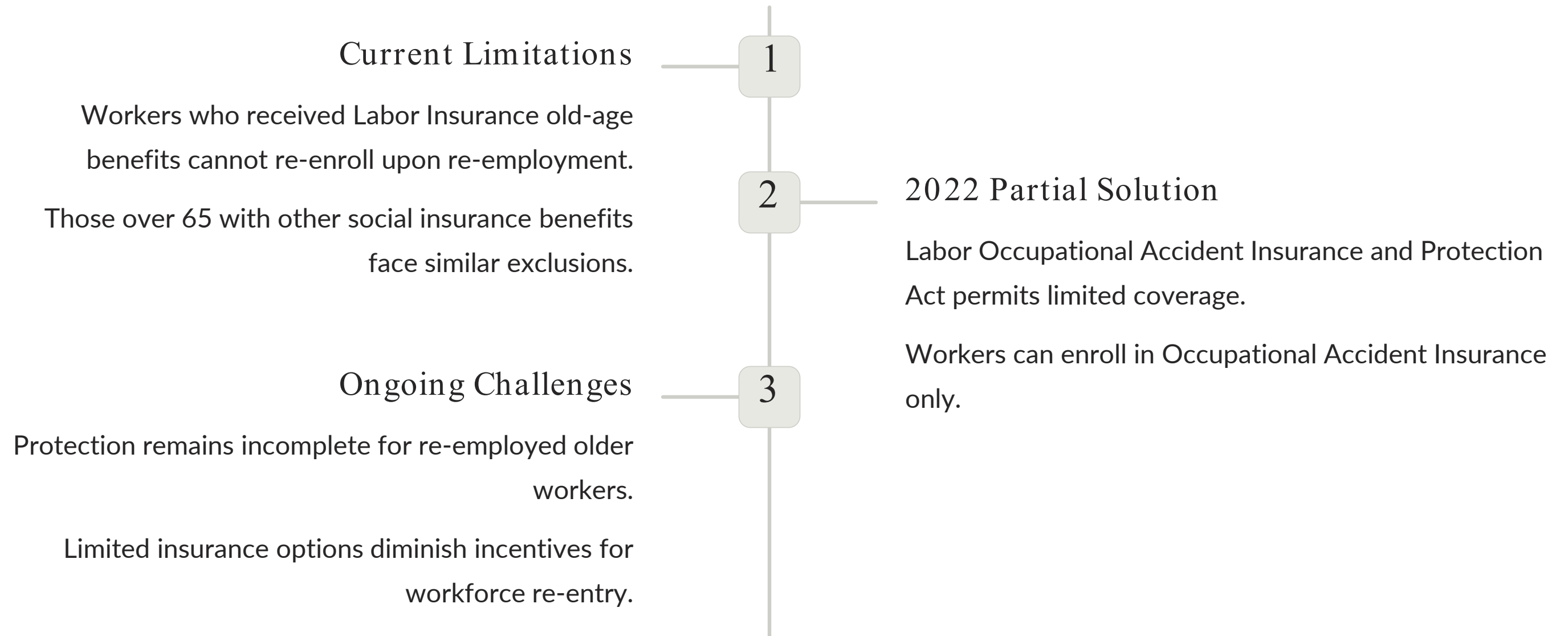First step in gradual increase.

3   2026: Age 65

Final target, with one year increase every two years.

4   Incentive Structure

+4% per year for delaying claims (max +20%). -4% per year for early claims (max -20%).

Insurance Coverage Challenges

Current Limitations — 1

Workers who received Labor Insurance old-age benefits cannot re-enroll upon re-employment.

Those over 65 with other social insurance benefits face similar exclusions.

2 — 2022 Partial Solution

Labor Occupational Accident Insurance and Protection Act permits limited coverage.

Workers can enroll in Occupational Accident Insurance only.

Ongoing Challenges — 3

Protection remains incomplete for re-employed older workers.

Limited insurance options diminish incentives for workforce re-entry.
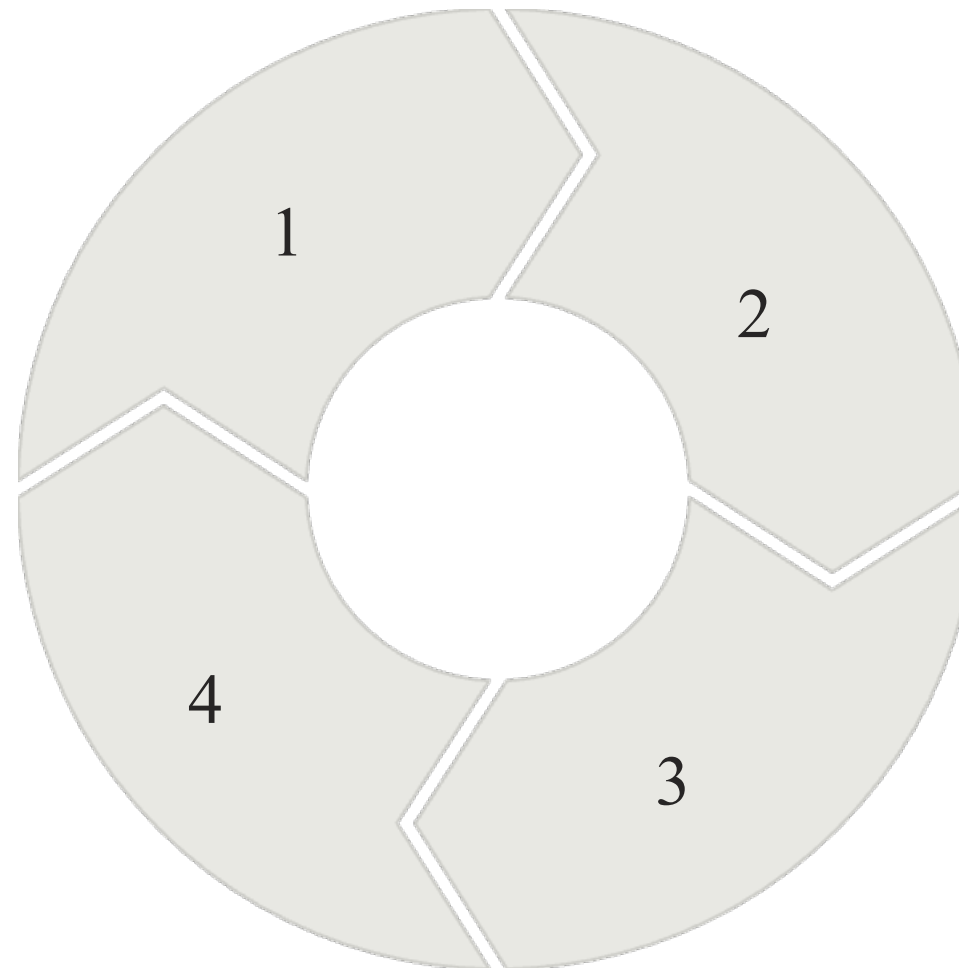
Policy Implementation Challenges

Policy Contradiction

Anti-discrimination protections exist alongside mandatory retirement at 65.

Resource Allocation

Support systems need better targeting based on varied worker needs.

Employer Misconceptions

Many believe workers must retire at 65 despite legal extension options.

Age-specific needs ignored

Current policies lack granularity for different older worker groups.

1

2

3

4

Implementation Results

5.1M

Labor Force

Middle-aged and elderly workers in 2023.

3%

Annual Growth

Increase of 151,000 people from 2022.

19.7%

Decade Growth

Increase of 839,000 people from 2013.

+0.9
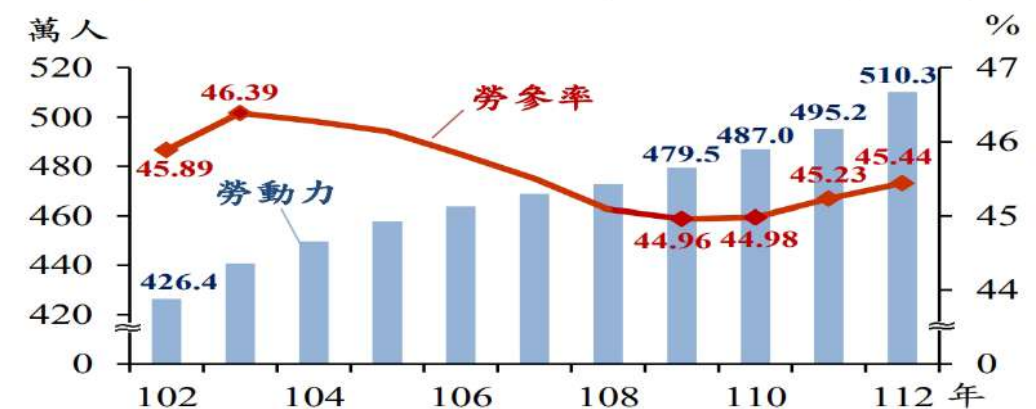
Participation Gain

Percentage point increase for ages 45-64 (year-over-year).

+0.3

Participation Gain

Percentage point increase for ages 65+

圖 1 中高齡及高齡勞動力及勞參率

資料來源：行政院主計總處「人力資源調查」。

Future Directions and Conclusion

1

Combat Employer Biases

Address misconceptions about older workers' capabilities.

2

Strengthen Lifelong Learning

Enhance skill relevancy for aging workforce.

3

Balance Structure with Flexibility

Balance traditional structures with flexible options

4

Expand Insurance Coverage

Improve social insurance for re-employed retirees.