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Federal Public Service Retirements: Trends in the New Millennium

by Dan Fox

Business and Labour Market Analysis Division
24th Floor, R.H. Coats Building, Ottawa, K1A 0T6

Telephone: 1-800-263-1136



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Dan Fox

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Federal Public Service Retirements: Trends in the New Millennium

Dan Fox, Business and Labour Market Analysis Division

Summary

Retirements have been increasing rapidly in the federal public service since the start of the millennium as the leading edge of the baby boom generation calls it quits. In the fiscal year ending March 2007, permanent public servants covered by the Public Service Employment Act (PSEA) taking their retirement amounted to almost three times the numbers seen at the start of the millennium and the retirement rate doubled.

Retirements have increased more quickly in the public service than in the labour force as a whole. One of the reasons is because permanent federal public servants covered by the PSEA are 5.3 years older on average than workers in the general labour force, and they also tend to retire 3.2 years earlier.

As of early 2007, about 8% of the workforce could retire immediately without penalty, double the proportion of 4% only six years earlier. One quarter of the existing public service workforce studied was eligible to retire within the next five years.

Not all public servants retire immediately once eligible though. In the fiscal year ending March 2007, about one in three of those retiring did so within the year they became eligible. More (44%) put off retirement by about four years on average.

There are also those who retire before eligibility with a reduced annuity. In fiscal year 2006/2007, about one-quarter of those who retired did so on average 2.5 years before they were eligible, and women made up the majority of them.

The baby boomers are the driving force behind the current retirements. In fiscal year 2006/2007 they made up two thirds of the workforce and two thirds of retirements. Boomers in the public service also tended to retire younger (in their late fifties) after having banked more years of pensionable service than the pre-boomers retiring in 2006/2007.

In fiscal year 2006/2007, the average age at retirement of the public servants studied was 58.4 and they retired on average with 29.2 years of pensionable service. Although men and women retired at about the same age on average, men accumulated more years of pensionable service than women. However the gap in years of pensionable service between men and women narrowed from 7.2 years to 3.4 years since the start of the millennium.

The retirement patterns of women and men are converging. The proportion of retirees who were women increased from 40% in fiscal year 2000/2001 to 47% in 2006/2007. More women than men still tended to take early retirement with penalty in 2006/2007, but of the retired women a higher proportion either retired at eligibility or deferred compared to previous years.

This study examines retirements since the turn of the millennium among permanent employees who occupy jobs subject to the Public Service Employment Act. This universe excludes employees of separate agencies such as the Canada Revenue Agency and Crown corporations such as Canada Post, and it excludes members of the Canadian Forces (CF) and the Royal Canadian Mounted Police (RCMP). This study presents statistics on retirements, retirement eligibility, and pensionable years accumulated by age and sex in the new millennium. It does not explain the personal reasons or decision making behind why an employee retired.

Definitions

PSEA universe means those employees occupying positions subject to the Public Service Employment Act (PSEA). There were 168,409 of these 'public servants' with permanent employment status at the end of March 2007, representing about 70% of all permanent federal civil servants.

Retirement from the PSEA universe means that an employee either elects to retire from the public service or retires due to illness or disability. Once retired, an employee is unable to return on a long term basis without being considered re-employed under the Public Service Superannuation Act (PSSA) and having his or her annuity stopped. An individual may retire from the public service but still be considered active in the labour force by working somewhere else, either part time or full time.

The **55/30 rule** is met when and only when two conditions are satisfied: the employee is 55 years of age or older and has contributed 30 or more years of pensionable service.

The **60/2 rule** is met when and only when two conditions are satisfied: the employee is 60 years of age or older and has contributed 2 or more years of pensionable service.

Retirement **at eligibility** means that an employee retires within the year of meeting the criteria of one of the two pension rules, avoiding penalties.

Retirement **after eligibility** means that an employee defers the date of retirement by more than one year beyond the date of meeting the criteria of one of the two pension rules, also avoiding penalties.

Retirement **before eligibility** means that an employee retires before meeting the criteria of one of the two pension rules, therefore incurring a penalty.

The term **penalty** refers to a reduction in the annuity received during retirement because either the age or years of pensionable service conditions of the pension rule is not fulfilled. For example, if an employee retires at 54 with 27 years of pensionable service, the annuity is penalized by 15%. If the unreduced annuity would have been \$20,000 per annum, the reduced annuity would be \$17,000—a \$3,000 per year penalty. (More details can be found within the PSSA Website at <http://laws.justice.gc.ca/en/showtdm/cs/P-36>.)

If an employee satisfies one of the two pension rules (**eligible**), retirement is possible with an indexed pension equal to a given percentage of the average annual salary received during any consecutive five-year period of pensionable service. An employee gets 2% for each year of pensionable service to a maximum of 70% (35 years). The pension plan is synchronized with the Canada Pension Plan (CPP) and with the Quebec Pension Plan (QPP) for employees in Quebec. Consequently, at age 65 or in case of disability, the annuity paid from the Public Service Pension Plan is reduced to take into account the amount received from CPP/QPP pension.

Full pension is reached when an employee contributes 35 years or more, which means the percentage used to calculate the annuity is 70%.

The **pre baby boomers** are those born before 1947. As of March 2007, they represented only 4% of the PSEA universe.

The **baby boomers** are those born between 1947 and 1966. As of March 2007, they made up almost two thirds (65%) of the PSEA universe.

The **post baby boomers** are those born in 1967 or after. As of March 2007, they represented almost a third (31%) of the PSEA universe.

A **permanent employee** is an individual who is appointed on an indeterminate basis under the PSEA. The tenure of the employee has no specified termination date.

A **fiscal year** begins April 1st of a given year and ends March 31st of the following year. The start of the **new millennium** for this study is April 1st.

Baby boomers calling it quits

Retirements have been increasing rapidly in the federal public service since the start of the millennium as the leading edge of the baby boom generation calls it quits. The number of retirements and the proportion of retirements to the PSEA workforce have increased since the beginning of the millennium. In 2006/2007, yearly retirements were almost three times the numbers witnessed at the start of the millennium and the rate doubled.

The federal public service downsized in the mid to late 1990's as a result of Program Review. Early retirement incentive packages likely affected the number of retirements observed in 2000/2001. However the retirement rate was not as affected. The 2000/2001 retirement rate was very close to the 1.7% average rate observed in the three years prior to Program Review. Even if 2003/2004 is used as a benchmark, both the number and rate of retirements increased significantly.

Table 1 Retirement rates for selected fiscal years

	2000/2001 ¹	2003/2004	2006/2007
Retirements over the year	1,986	3,338	5,495
Permanent PSEA employees, start of year	127,835	153,694	165,178
Retirement rate (%)	1.6	2.2	3.3

1. The federal public service downsized in the mid to late 1990's as a result of Program Review. Early retirement incentive packages likely affected the number of retirements observed in 2000/2001, but not the rate as the average for the three fiscal years prior to Program Review was only 1.7%.

Source: Public Service Commission, Job-based Analytical Information System.

The rise in retirements may pose many challenges to the continued delivery of government services to Canadians. As each employee retires, corporate knowledge is lost and institutional memory becomes eroded.

In addition, many retirees are in middle to upper-management jobs or in more senior positions, which have traditionally been filled by internal posting. When employees retire, it results in a cascade effect and potentially a period of instability because when one employee leaves, it is not just a vacated position that needs to be staffed, but many of the feeder positions down the line. It is not just a simple matter of a one-to-one replacement because it involves consequences for training, knowledge transfer and human resources management.

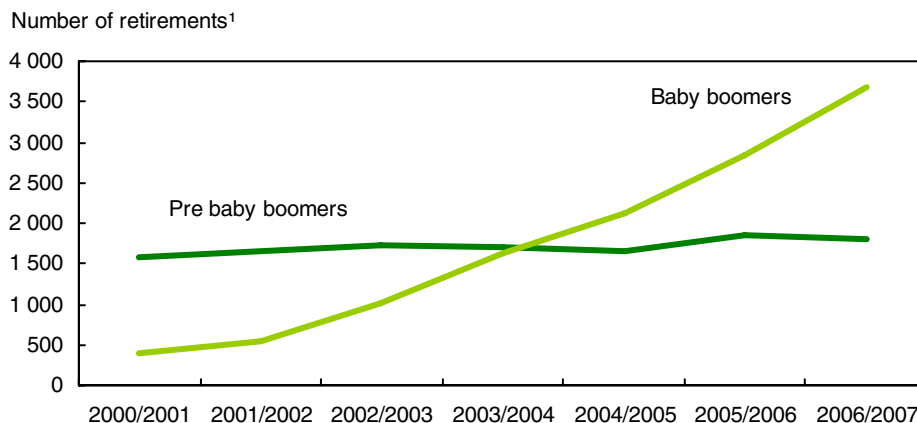
The majority of the retirees from the fiscal year ending March 2007 were baby boomers who entered the workforce at a young age. The remainder of the retirees were from the tail-end of the pre-boomer generation. Those pre-baby boomers retiring in the fiscal year ending March 2007 entered the public service at an older age than the boomer retirees.¹

Pre-baby boom retirements have remained flat over the last seven years at about 1,700 per year. Baby boom retirements really began to take hold at the beginning of the millennium, and 2004/2005

1. Throughout this study, the observations about intergenerational differences apply only to those employees still in the database at the period of study. Consequently, characteristics of pre-baby boomers who retired in the 1990's may be different. More specifically, the majority of pre-baby boomers who were eligible under the 55/30 rule retired prior to the year 2000.

marks the period when baby boom retirees outnumbered their older counterparts. In 2006/2007, boomers comprised almost two-thirds of the permanent employees covered by the PSEA and slightly more than two thirds of the retirements observed.

Chart 1 Baby boomers made the majority of retirements from 2004/2005 and on



1. Number of retirements from employees under the *Public Service Employment Act*.

Source: Public Service Commission, Job-based Analytical Information System.

Both pre-baby boomer men and women who retired in fiscal year 2006/2007 were in their early sixties on average. However, the men retirees of this demographic group contributed to the pension plan 6.2 more years than the women. The pre-boomer women who retired in 2006/2007 likely started at a later age than men or interrupted their career to care for children, for example.

Table 2 Average age and years of pensionable service of PSEA employees who retired, fiscal year 2006/2007

Generation	count	Average age			Average years of pensionable service		
		Men	Women	Both genders	Men	Women	Both genders
Pre-baby boomers	1,762	62.9	62.4	62.7	29.3	23.1	26.7
Baby boomers	3,375	56.3	55.9	56.1	31.6	29.4	30.5
Total	5,137	58.7	58.0	58.4	30.8	27.4	29.2

Source: Public Service Commission, Job-based Analytical Information System.

From the boomer generation, those who retired in 2006/2007 were 56.1 years old on average and had accumulated 30.5 years of pensionable service on average. Boomer retirees had 3.8 more years of pensionable service on average compared to the pre-baby boomer retirees of that fiscal year.

In addition to retiring about 6.5 years younger, female boomer retirees in 2006/2007 had 6.3 more years of pensionable service compared to those of the pre-baby boomer generation retiring that fiscal year. These women of the boomer generation might have been dual income earners limiting the time taken off for family responsibilities, had less interruptions or they may have bought back

pensionable service for maternity leave, for example. Male boomer retirees banked 2.3 more years compared to pre-baby boomers retiring in 2006/2007.

Public service older and retire younger

PSEA employees were 5.3 years older than workers in the broader Canadian workforce, on average as of March 2007. Therefore retirements in the PSEA universe have increased more quickly than in the labour force as a whole.

Table 3 Average age of permanent public service employees and all employed Canadians, March 2001, 2004, and 2007

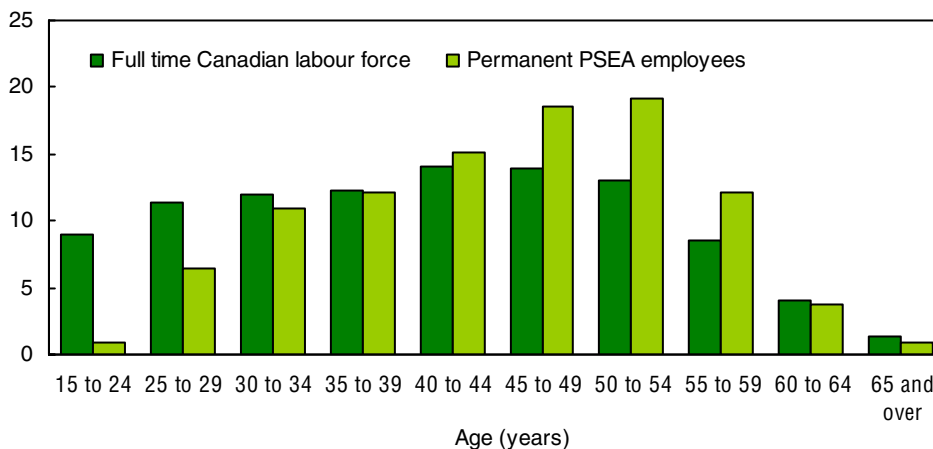
		PSEA universe, permanent employees			Employed Canadians		
		2001	2004	2007	2001	2004	2007
Men	Average age (years)	45.8	45.9	46.3	39.3	40.1	40.4
Women		43.7	44.0	44.5	38.3	39.1	39.7
Total		44.7	44.9	45.3	38.8	39.6	40.0

Sources: Public Service Commission, Job-based Analytical Information System and Statistics Canada, special tabulation, Labour Force Survey.

Proportionally, there were more baby boomers in the public service compared to the full time Canadian labour force, as of March 2007. The older public service workforce is attributed to these boomer PSEA employees in their late forties and fifties.

Chart 2 Proportionally, baby boomers dominate the public service compared to the Canadian full-time workforce, March 2007

Proportion of employees (%)



Source: Public Service Commission, Job-based Analytical Information System and Statistics Canada, Labour Force Survey.

Adding to the pressure to retire stemming from an older workforce, employees tended to retire from the public service younger than Canadians did from the labour force in general and even younger than workers in other countries.²

The average age of retirement within the Canadian labour force has remained relatively stable since the start of the millennium at close to 62; men were retiring a few months after 62 and women a few months before 61. Within the PSEA universe, 58 has been the average age of retirement over the last seven years with women retiring a few months prior to men.

In 2005, the average age of retirement from the labour force in the European Union was 60.9. Within the European Union, the two nations with the highest age of retirement were Iceland, 66.3 years, and Ireland, 64.1 years. Even the two countries at the bottom of the ranking in Europe had a slightly higher retirement age than PSEA workers. France averaged 58.8 years and Slovenia, 58.5.³

Evidence from the United States government suggests that U.S. public servants retire slightly older than those of Canada. In the 2003/2004 fiscal year, PSEA retirees were 58.2 on average whereas those from 27 major federal agencies of the United States government were 58.7 on average.⁴

Table 4 Average age at time of retirement for federal public service employees and all Canadian workers by fiscal year and sex

	PSEA universe			Canadian labour force		
	Both sexes	Men	Women	Both sexes	Men	Women
	Average age (years)					
2000/2001	58.7	58.8	58.7	61.5	62.3	60.3
2003/2004	58.2	58.5	57.9	61.8	62.5	60.8
2006/2007	58.4	58.7	58.0	61.6	62.1	61.0

Sources: Public Service Commission, Job-based Analytical Information System and Statistics Canada, Labour Force Survey.

In the fiscal year ending March 2007, PSEA retirees were 3.2 years younger on average compared to the retirees from the broader Canadian labour force. If the 5.3-year difference in average age between PSEA workers and all Canadian workers were added to the 3.2-year difference in age at which PSEA workers retire, the federal public service would experience the retirement wave about 8 years earlier than the Canadian labour market as a whole.

Observations from this study provide hints of events to come in relation to retirement throughout Canada, even if the studied population is solely on public servants. However, without personal information on pension plan coverage, health, family situation and financial status, only limited conclusions can be drawn. They point toward pension plan rules, age and gender being important factors of when employees choose to retire.

2. Retirement from the federal public service does not necessarily lead to retirement from the labour force. Therefore the average retirement age from the labour market of federal public servants is likely higher.
3. Source: "La France et l'Europe face aux retraites," Eurostat, 2005, <http://www.journaldunet.com/management/dossiers/040436retraites/comparaison-europe.shtml> (accessed July 13, 2007).
4. Source: U.S. Office of Personnel Management, *2004 Retirement Statistics*, p. 52, <http://www.opm.gov/feddata/retire/rs2004.pdf> (accessed February 6, 2008).

Women retirees on the rise

Since the start of the millennium, year after year, the gap between the proportion of federal public service men and women retiring closed. Of the retirees from the PSEA universe in 2006/2007, 47% were women and 53% were men. Six years earlier the proportions were 40% for women retirees and 60% for men.

This is explained in part by the increased participation of women in the labour force in general which is reflected in the composition of the public service workforce. In 1965, women accounted for 29% of employment in Canada. In 1970, this proportion climbed to 33% and by 1975, it reached 35%. At the end of March 2007 almost half of Canadian workers were women (47%). In the federal public service, recent analysis indicates that women outnumbered men since 1999.⁵

Although in fiscal year 2006/2007 both men and women continued to retire around 58 years of age, men still accumulated more years of pensionable service on average. The gap between them closed, however. It went from 7.2 years in 2000/2001 to 3.4 years in 2006/2007.

Table 5 Average years of pensionable service of PSEA retirees by fiscal year and sex

	2000/2001	2003/2004	2006/2007
	years of pensionable service		
Men	29.3	30.6	30.8
Women	22.1	26.7	27.4
Gap	7.2	3.9	3.4

Source: Public Service Commission, Job-based Analytical Information System.

The tendency for convergence between men and women is even more apparent when looking at the baby boomers alone. In 2006/2007, the gap in years of pensionable service between men and women baby boomer retirees was 2.2 years. The men had 31.6 years of pensionable service upon retiring, and the women had accumulated 29.4 years.

How is it possible that retirees continue to retire in their late 50s, while their average years of pensionable service increases over time? The answer lies in the entry age into the public service and the 55/30 pension rule.

The majority of employees who retired during fiscal year 2006/2007 entered the workforce early (under 30 years of age) and benefited from the 55/30 pension rule. This is especially true for women retirees, who from 2000/2001 to 2006/2007 saw an increase of 5.3 years of pensionable service from 22.1 years on average to 27.4 years. This may also be the result of having less career

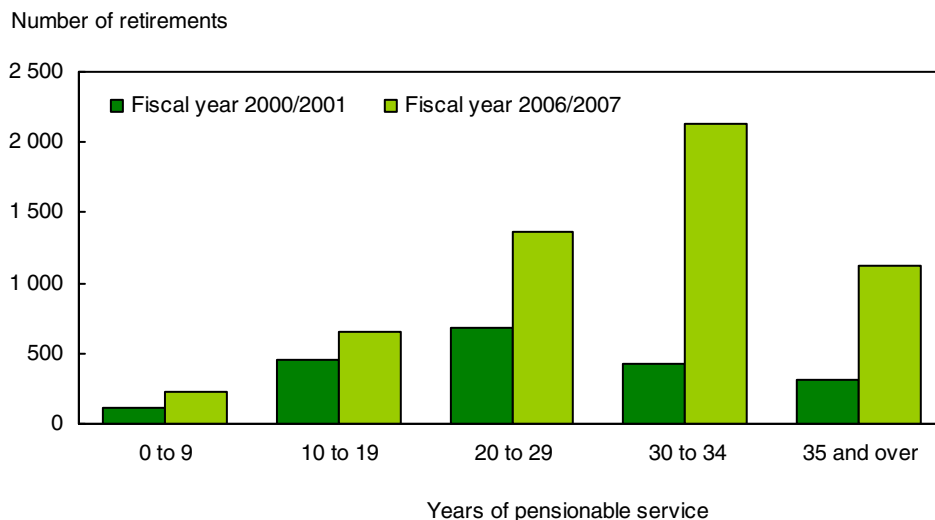
5. See Katarzyna Naczka, "Employment Trends in the Federal Public Service", *Analysis in Brief*, Statistics Canada Catalogue No. 11-621-XIE, March 2007, <http://www.statcan.ca/english/research/11-621-MIE/11-621-MIE2007053.htm> and "Female Employment in the Core (Federal) Public Administration", *Analysis in Brief*, Statistics Canada Catalogue No. 11-621-XIE, September 2007, <http://www.statcan.ca/english/research/11-621-MIE/11-621-MIE2007061.htm> (accessed October 13, 2007).

interruptions. Men retirees also saw an increase in years of pensionable service over the last seven years—up 1.5 years to an average of 30.8 in 2006/2007.

The pension rule under which an employee falls is a major determinant in the decision of when to retire. On average, retirees under the 60/2 rule are older, accumulate fewer years of pensionable service, and are less likely to reach 35 years of pensionable service (full pension) compared to those under the 55/30 rule.

In the 2006/2007 fiscal year more employees fell under the 55/30 rule than ever. Retirees with 30 or more years of pensionable service increased four fold compared to 2000/2001. Moreover, if the analysis is restricted to the age category 55 to 59, retirees with 30 or more years of pensionable service amounted to five times the numbers witnessed in 2000/2001.

Chart 3 PSEA employees with 30 or more years of pensionable service led to a spike in retirements

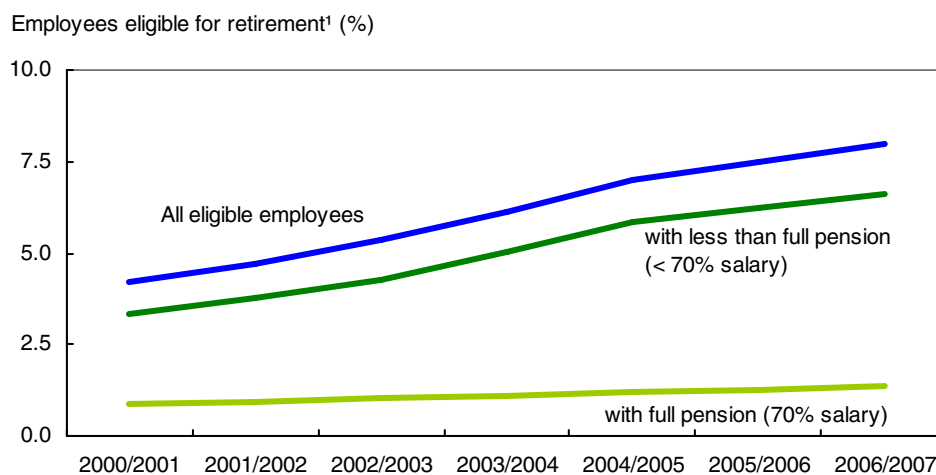


Source: Public Service Commission, Job-based Analytical Information System.

Public servants eligible to retire at unprecedented levels

As of March 2007, 13,439 public servants within the PSEA universe were eligible to retire without penalty. They accounted for 8% of the workforce, twice the proportion of 4% six years earlier. Within the next five years, one-quarter of the existing PSEA workforce could retire.

Chart 4 Employees eligible to retire have increased since the turn of millennium



1. Employees under the *Public Service Employment Act* eligible for retirement at fiscal year end.

Source: Public Service Commission, Job-based Analytical Information System.

Those eligible to retire with full pension were also on the rise. As of March 2007, 17% of those eligible, or 2,307 employees, could retire immediately with a full pension.

In addition, a few employees already accumulated 35 years of pensionable service, but were 'in waiting'. These individuals were younger than 55, but on their 55th birthday would be eligible to retire without penalty. At the end of 2006/2007, there were 515 such employees.

Many of those eligible as of March 2007 were part of a large intake (74,000) during the first half of the seventies as federal government services and social programs expanded. Total public service population under the PSEA in 1970 was 198,701; in 1975 it was 273,167 as related departments and monitoring agencies were established.

Pre-baby boomers still employed under the PSEA represented 52% of those eligible to retire as of March 2007. Most started working at the age of 30 or older, whereas the baby boomers currently eligible generally started working at a younger age. As of March 2007, the approximated average start age of the 7,014 pre baby boomers eligible to retire was 40 years old, whereas the 6,425 eligible boomers started roughly around 25 years old on average. It seems that during the wave of hiring in the early 1970s, some of the older pre-baby boomers began their careers in the public service as well, possibly because they had a previous career in the private sector or in the armed forces, for example.

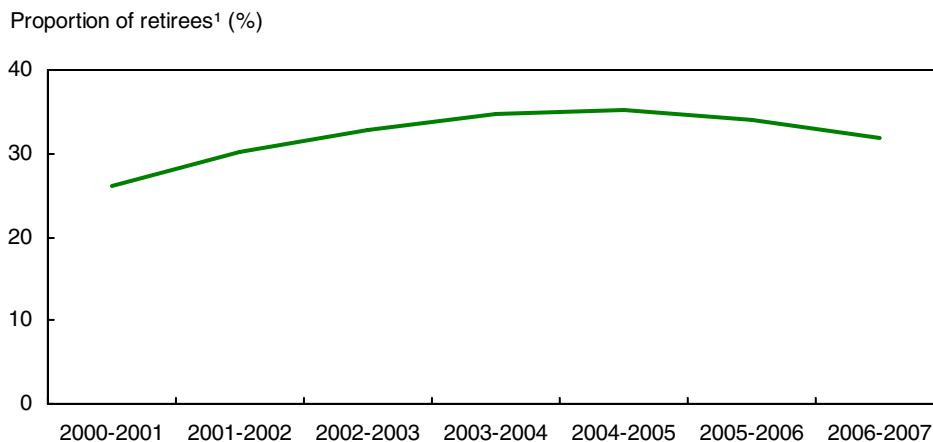
The baby boomers represented 48% of those eligible to retire as of March 2007. The majority of these boomers fell under the 55/30 rule. Generally, anyone who enters the workforce at the age of 29 or less will become eligible under this rule, such as the early entrant boomer employees. In 2000/2001, the oldest of the baby boom generation was 53 and able to retire with a penalty. However, in 2002/2003 when boomer retirements really took off, the oldest reached 55 and could retire without a penalty.

Not everybody packs it in immediately after becoming eligible to retire

Eligibility does not result in automatic retirement. In 2006/2007, only about a third (32%) of PSEA workers retired within one year of becoming eligible. The bulk of retirements (44%) were those who put off their retirement by more than a year. A smaller number of employees (24%) chose to retire before eligibility and take a penalty.

The proportion of those retirees that exited within the year of becoming eligible increased since the turn of the millennium. The change is mostly related to a smaller percentage of employees retiring early with a penalty in favour of leaving within the year of becoming eligible. This is likely due to the influx of early entrant boomers able to retire under the 55/30 rule with enough pensionable time so as not to be penalized at retirement.

Chart 5 The proportion of workers who retired within a year of eligibility increased compared to 2000/2001



1. Proportion of retirees who retired within a year of becoming eligible.

Source: Public Service Commission, Job-based Analytical Information System.

The decision to retire at a particular moment is influenced by many factors such as nature of work, marital status, family constraints, preferences of a spouse, quality of relationships, norms, and attitudes. In addition, Canadian couples increasingly must make two retirement decisions rather than just one — one for each spouse — which adds to the complexity of analyzing retirement.⁶

One reason to retire early with a penalty might be to accompany a retired spouse. In the Canadian population in 2006, women aged 18 to 65 and living with a spouse (married or common-law) were on average 2.6 years younger than the men they were living with.⁷ In such a situation, the husband would therefore satisfy the conditions for a pension without penalty before his younger wife does. The more the difference in age exists between spouses, the more likely retirement will occur at different times.

6. See "New Frontiers of Research on Retirement", Statistics Canada Catalogue No. 75-511-XIE, March 2006, <http://www.statcan.ca/english/freepub/75-511-XIE/0010675-511-XIE.pdf> (accessed October 13, 2007).

7. Source: Statistics Canada, special tabulation, General Social Survey, 2006.

Other reasons to retire early might include poor health, sickness or injury⁸, or having to take care of someone with health problems (an elderly family member, for example).

On the other hand, the main reason to defer retirement past the year of eligibility could be financial, a desire to maximize one's annuity in terms of years of pensionable service. Since each year of pensionable service adds 2% to the pension formula, up to 70% of annual salary, some employees who contributed for less than 35 years may decide to continue working to maximize their annuity at retirement. Since the pension annuities are being calculated using the average of the best five years of salary, it gives another reason to stay for a few more years.

Another reason to defer retirement might be because an individual facing the choice may prefer working to retiring at an early age.

Compared to previous fiscal years, in 2006/2007, a smaller proportion of retirees left before eligibility in favour of either leaving during the year of initial eligibility or after it. Out of just over 5,100 retirements, a quarter retired with penalty, on average 2.5 years before they were eligible. The remaining three quarters did not retire with penalties as 32% retired within the year of becoming eligible and 44% retired after eligibility, putting off retirement by 3.9 years on average.

Table 6 Retirement statistics of PSEA employees by eligibility status and fiscal year

Fiscal year	Before eligibility			At eligibility			After eligibility		
	Count	%	years to initial eligibility	count	%	years to initial eligibility	Count	%	years to initial eligibility
2000/2001	543	32	-3.4	443	26	0.3	718	42	4.4
2003/2004	790	26	-2.5	1,051	35	0.3	1,175	39	4.0
2006/2007	1,254	24	-2.5	1,632	32	0.3	2,251	44	3.9

Source: Public Service Commission, Job-based Analytical Information System.

In 2006/2007, women tended to retire before eligibility more than men. Among the women, 31% retired before eligibility and took a penalty, while only 19% of men did so. In contrast, only 34% of the retired women had deferred their retirement by over one complete year, compared to 52% for men.

In addition, of those postponing retirement, women retired a few months earlier on average compared with men. These gaps in retirement between the sexes have prevailed since the turn of the millennium.

8. Under the Public Service Superannuation Act, an employee may retire without penalty prior to eligibility if certain conditions are met showing an illness and/or a disability.

Table 7 Retirement statistics of PSEA employees by gender and eligibility status, fiscal year 2006/2007

Gender	Before eligibility			At eligibility			After eligibility		
	count	%	years to initial eligibility	count	%	years to initial eligibility	count	%	years to initial eligibility
Men	516	19	-2.3	808	29	0.3	1,462	52	4.1
Women	738	31	-2.7	824	35	0.3	789	34	3.4
Both genders	1,254	25	-2.5	1,632	32	0.3	2,251	43	3.9

Source: Public Service Commission, Job-based Analytical Information System.

Full pension is reached when an eligible employee contributes 35 years or more of pensionable service, which means the percentage used to calculate the annuity is 70%. The number of employees retiring with this condition rose in the last few years. The proportion of those who retired with full pension went from 17% in 2000/2001 to 20% in 2006/2007. Of these full pension retirees in 2006/2007, two-thirds were men.

Some public servants eligible to retire also stay past the maximum 35 years of pensionable service. In the fiscal year ending March 2007, 9.5% of PSEA retirees had more than 35 years, and the majority (64.8%) of them were men. Six years earlier, in fiscal year 2000/2001, 10.8% of the retirees had stayed past 35 years and the bulk (90.8%) of these were men.

Data source and methods

Data were obtained using the Job-based Analytical Information System (JAIS) administered by the Public Service Commission of Canada (PSC). JAIS is an administrative database built through longitudinal processing of pay and mobility data on the majority of federal public servants- those who are subject to the Public Service Employment Act (PSEA). All information held in JAIS is based on data extracted from snapshots of the broader public service pay system managed by Public Works and Government Services Canada.

This analysis examines permanent employees subject to the PSEA contained in JAIS during the period of April 1st, 2000 to March 31st,2007. There were 168,409 such employees at the end of the period including those on leave without pay. This represents about 70% of permanently employed federal civil servants covered by the Public Service Superannuation Act (PSSA).

The PSEA universe refers to the departments named in Schedule I and other portions of the federal public administration named in Schedule IV of the Financial Administration Act. It also refers to certain Schedule V organizations subject to the Act and Special Operating Agencies affiliated with any ministries belonging to the PSEA universe.⁹ Organizations in the PSEA universe are all under the exclusive authority of the Public Service Commission of Canada when making appointments, to and from within the public service.

The PSEA universe does not include certain separate agencies such as the Canada Revenue Agency, crown corporations such as Canada Post, or members of the military or RCMP. Examples of organizations in the PSEA universe include all departments (Schedule I, such as Transport, Environment, and National Defence), the Correctional Service of Canada (Schedule I.1), the Canadian International Development Agency (Schedule IV), and the Canadian Coast Guard, a special operating agency affiliated with the Department of Fisheries and Oceans.

Limitations of the data involve missing information with respect to pension start dates, dates of birth, and career start dates. Missing data affected less than 1% of the records, and edits and imputations were performed by Statistics Canada to correct most of this information.

For comparative purposes, the Canada Border Services Agency (CBSA) data were removed for fiscal year 2003/2004 and subsequent years because prior to that, CBSA was not part of the PSEA universe. As of March 2007, there were 12,186 such permanent employees. If CBSA were included in the analysis, then as of March 2007, it would represent 6.7% of the PSEA universe and the PSEA universe would represent 75% of permanently employed federal government workers under the PSSA. Comparative analysis of descriptive statistics with and without CBSA showed that excluding it from the analysis had negligible effects on the results, and conclusions drawn in this study hold.

The focus of this analysis is on departures for reason of retirement, which in fiscal year 2006/2007 accounted for 65% of the 8,493 permanent employees who left their jobs. Other departures included resignation for outside employment (13%), resignation for personal reasons (11%), alternative delivery initiatives (6%), death (3%), and all other reasons (2%).

This study is not a cohort analysis comparing boomers and pre-boomers. Observations about intergenerational differences apply only to those employees still in the database at the period of study. Consequently, characteristics of pre-baby boomers who retired in the 1990's may be different. More specifically, the majority of pre-baby boomers who were eligible under the 55/30 rule retired prior to April 1st, 2000.

9. There are two exclusions from the definition: the Canadian Dairy Commission (61 employees) and the Public Service Staffing Tribunal (18 employees). Although they are found in FAA schedule IV, the Public Service Employment Act does not apply.