

Mr. Chairman and Members of the Committee:

I am Steve Meyer, Vice President, Secretary and Corporate Counsel for Hy-Vee, Inc. I am extremely honored to have the opportunity to testify before this panel. My company very much appreciates your efforts to promote the employment of older workers.

Hy-Vee is a food and general merchandise retailer with its corporate home located in West Des Moines, Iowa. Hy-Vee operates 210 stores in the states of Illinois, Iowa, Kansas, Minnesota, Missouri, Nebraska, and South Dakota. We have served our customers for over 70 years and have over 43,000 employees of all ages. We take pride in being employee owned.

I understand that this Committee is today considering the dynamics of the employment of older workers. Hy-Vee very much values its older workers and the benefits they provide our company. Hy-Vee recognizes and appreciates the work ethic, the loyalty, and the devotion of its older employees. Frequently, older workers have greater experience, job skills, and flexibility than their younger counterparts.

Current economic trends encourage Hy-Vee and other private sector employers to employ increasing numbers of older workers. As we all know our population and the workforce is aging. In many of Hy-Vee's trade areas the population is also declining. Coupled with the current economic boom and consequential labor shortage, the recruitment and retention of older workers becomes an imperative as well as a desire and goal. Our economic survival is tied to a fully staffed and motivated workforce of which our older workers are an integral part. Hy-Vee presently has approximately 2000 workers over the age of 60 even though the work is often physical and demanding.

Hy-Vee realizes that there are substantial barriers and impediments to the employment of older workers. Some pension plans and to an extent the social security system impede the employment of older workers by imposing financial disincentives to work. At times pension plans penalize older workers who desire to work. Likewise, the income limitations and tax consequences of social security also impose obstacles to employment after retirement.

There are also non-economic factors which create barriers to the employment of older workers. Oftentimes employers are hesitant to devote extensive training to older employees because the employer fears that the employment will be short term. In addition, there can be significant discrimination against older workers who are perceived and stereotyped as less productive, more costly employees. Society must remove these impediments before older workers can be fully integrated into the workforce.

As I stated Hy-Vee appreciates its older employees a great deal. We constantly strive at developing methods to attract workers and particularly older workers. We do our best to recruit, accommodate, and retain older workers.

Hy-Vee actively pursues the recruitment of older employees. We work through the various job service agencies and senior organizations to seek out older citizens who wish to work. We have our current employees promote older worker recruitment by word of mouth. Hy-Vee advertises its desire to employ older workers through postings and the media. I have attached a typical recruitment poster to my written statement.

Hy-Vee maintains programs to accommodate and retain its older employees. Our company has extremely liberal policies regarding work scheduling. Older employees are able to schedule work at convenient and desirable times. Special needs are normally accommodated. Hy-Vee permits and

encourages not only flexible scheduling on a daily and weekly basis but also seasonally. If the employee so desires, he or she may work in the spring, summer, and fall and yet spend winters in Arizona or Florida.

Hy-Vee has enacted policies which enable older employees to be a part of the Hy-Vee team. All employees regardless of age receive the same training and opportunities. The company does not tolerate unfair perceptions, stereotypes or other incidents of age discrimination. On an individual level, Hy-Vee does its utmost to accommodate employees with less physically demanding jobs if necessary to continue a worker's employment.

Hy-Vee's employee benefits also encourage the employment of older workers. We do not have a pension plan but rather have a profit sharing and 401(k) plan. Hy-Vee contributes a significant portion of its profits to the profit sharing plan. All employees who work at least 1000 hours per year are eligible to participate in the plan regardless of age or retirement status. The plan has an ownership interest in Hy-Vee which makes all participants owners of the company. Likewise, the 401(k) plan is available to all. Hy-Vee's retirement plan rewards rather than penalizes older citizens who desire to work.

Hy-Vee's health plan is also available to its older workers who are full time employees. Moreover, all full time employees who attain minimum length of service requirements and the age of 50 may continue in Hy-Vee's health plan at premiums far below the market. The continuation of health benefits allows older employees to be more secure and desirous of becoming part time employees once they retire.

Hy-Vee educates its employees about the circumstances of retirement so that the employees can approach retirement age without fear or uncertainty. Upon reaching the age of 50 each employee is given a retirement booklet which sets forth the various changes and financial considerations which everyone must face when they retire. I have attached the cover page of the booklet to my written statement.. The company also conducts periodic retirement seminars for its older employees and maintains an alumni association for those employees who do retire.

In summary, Hy-Vee believes that the economic and social well being of our country depends upon the continued and expanded employment of older citizens. We strongly urge Congress to remove the barriers to the employment of older workers so that all citizens may be able to work if they so desire.