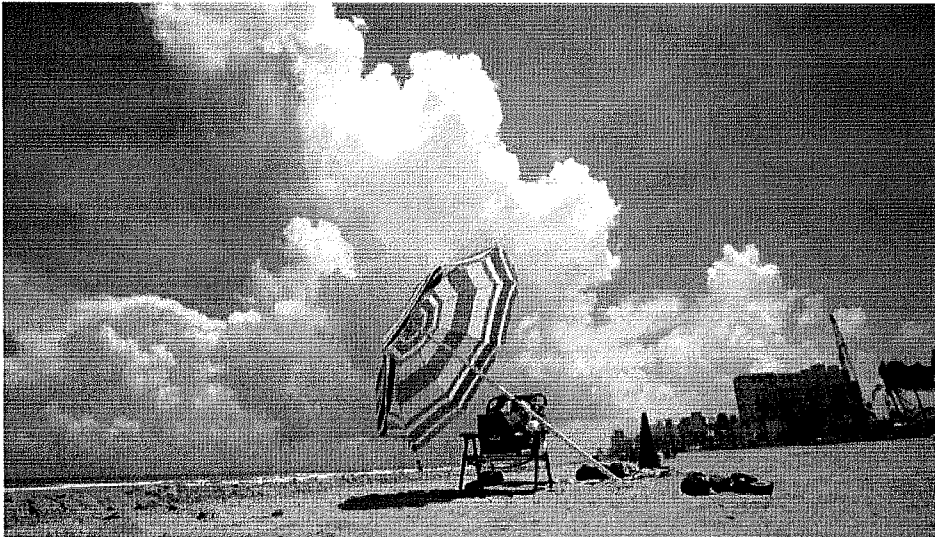


A sunny prospect: outsourcing the elderly

BY LIESL L. GAMBOLD

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An empty beach chair on Hollywood Beach, Fla. "While aging in a foreign country is not for everyone, it could be a desirable option for people at various economic levels if the provincial and federal governments made health-care agreements with Mexico and other countries like the EU," writes Liesl L. Gambold. (THE ASSOCIATED PRESS)

Congratulations! You are soon to retire and enter that golden age where anything is possible. Or is it?

With over 10 million baby boomers in Canada — 32 per cent of the population — entering retirement, this country and its aging population are facing an unprecedented moment in history.

Pensions as well as the health-care and social-services sectors will all become increasingly strained, and retirees may find that retirement, as they had imagined it, is untenable due to economic constraints.

Perhaps you had planned, like many of your friends, to pack your bags, leave your boots by the door, lock up the house and head south to avoid the long, hard Canadian winter.

Who would blame you?

Surely you deserve to enjoy your "after-career life," unencumbered by the burdens Mother Nature often gifts us Maritimers well past the first day of spring.

Alas, there are costs involved in chasing the sun. Many worry about wintering in a country where a medical emergency could result in enormous additional costs and the headache of trying to get reimbursed through MSI after returning home.

If you spend part of the year in Florida without buying additional health insurance, you are responsible for non-insured services such as hospital out-patient charges for X-rays, diagnostic tests and laboratory charges, and you are responsible for paying the difference between the charge for insured services and the amount that MSI pays for the service at Nova Scotia rates.

While long-term travel insurance is an option, it is costly. The snowbird lifestyle may begin to look less like a viable option.

Maybe you've heard of Ajijic, Mexico, where over 10,000 Canadians have retired or Ecuador and Panama enticing retirees with no income or investment taxes, where doctors' visits cost \$25 and you can live comfortably on \$1,200 a month.

International retirement migration has been happening for decades and what was once an option reserved only for the well-off has become a viable economic strategy for those worried about their ability to live comfortably on their pension.

However, Canada does not make this an easy option. If you choose this route, you will lose your Canadian universal health coverage. This is no small matter. But could something be done that might benefit both the ever-burdened systems of Canada's provinces as well as the growing number of retirees?

We might look east for an answer.

In 2010, the European Union population aged 65 and older was approximately 87.5 million when baby boomers began retiring in growing numbers.

Each of the 28 member states is in charge of its own pension, health-care and social-services programs.

However, some member states that recognized the tendency for their citizens to retire out of the country also quickly realized that this might not be such a bad thing.

Spain and southern France have long been popular seasonal retirement destinations and have grown ever more popular as permanent retirement locations for aging baby boomers seeking a warm retirement alternative.

In a meeting I had with a European Commission demographer, he explained how Belgium and Spain had, years ago, begun trying to simplify the process for Belgian retirees living permanently in Spain.

Rather than deal with the reams of paperwork being submitted by Belgians for reimbursement of health-care costs incurred in Spain the Belgian and Spanish governments were able to come up with a formula based on the number of registered, full-time Belgian retirees in Spain.

This plan was modified over the years in response to the growing number of Belgians retiring in Spain. In fact, 15 EU countries have arrangements whereby, if you are receiving a pension from one of these, you are entitled to receive complete health-care coverage in the EU country of your retirement if it differs from the pension-providing country.

Why are such agreements in place and increasing?

First, moving some of a nation's retirees out of the country alleviates strains on the health-care system. Second, some popular "receiving" countries see the benefits of having more foreign retirees and their contributions to the local economy outweighing the costs of health-care services they might require.

In addition, as pensioners are living longer, we must develop more creative attempts to manage spiralling aging-care costs.

For example, families in Germany are increasingly sending their aging parents to nursing homes in Poland and Hungary for economic reasons. A growing number of Canadians and Americans are moving directly to nursing homes in Mexico where one can have a pleasant studio apartment, three meals a day, laundry and cleaning service and 24-hour care for \$1,500 a month.

These unorthodox decisions are saving families from the excessive cost of domestic home care while also providing much-needed employment in the local economy.

While aging in a foreign country is not for everyone, it could be a desirable option for people at various economic levels if the provincial and federal governments made health-care agreements with Mexico and other countries like the EU.

Some would choose this option, thus freeing up critical services at home. As I write this and look outside at our latest spring snowstorm, I, for one, would pack my bags.

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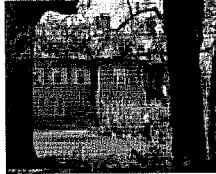
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