

### Key results

The rules for eligibility to retire and withdraw a pension benefit are very complex and often reflect conflicting government objectives. This is all mirrored in the different criteria for pension benefit withdrawal in different schemes. In 2014 the OECD average normal pension age was equal to 64.0 years for men and 63.1 years for women across all schemes for an individual retiring in 2014 and assuming labour market entry at age 20.

The table shows the rules for normal and early retirement by pension benefit scheme for a person entering the labour force at age 20. Assuming the same entry age for current retirement ages enables a comparison over time between the current retirement ages presented here and the future retirement ages presented in the following section and in the OECD pensions modelling. In 2014 the OECD average normal pension age in 2014 was equal to 64.0 years for men and 63.1 years for women across all schemes and countries. These averages should however be interpreted with caution as they do not say anything about how individuals actually react to these ages in either the schemes or countries.

### Normal pension age

The lowest normal pension ages equal 58 for women in Turkey and 58.7 for men in Slovenia (Figure 5.8). Iceland, Israel (for men only) and Norway have the highest normal pension age at 67.

In 11 out of the 34 countries the pension ages still differ between men and women. In these countries the average pension age for men equalled 63.6 years and 60.9 for women. However, except for Chile, Israel and Switzerland these gender differences in the pension rules are being phased out.

In 21 of the 34 countries, different rules apply to different components of the overall retirement-income package and so these are shown separately. In these 21 countries there is no easy answer to what the normal retirement age is as it differs across pension schemes.

### Early age

Early pension withdrawal before age 60 is often possible in occupational and private pension plans. However, some countries will not allow early retirement in any mandatory part of the pension system such as Denmark, Ireland, Israel, the Netherlands, New Zealand, Poland, Turkey and the United Kingdom. In other cases, early retirement is restricted to certain schemes: in Australia, Chile and Iceland to mandatory private pensions; and in Canada and Sweden, there is no early retirement under basic or targeted programmes but early withdrawal is possible for the earnings-related systems.

In most defined benefit and points schemes, the adjustment is simply a parameter of the pension system: the benefit is permanently reduced by  $x\%$  for each year of early retirement.

In defined contribution systems the size of the annual benefit varies and depends on the age of benefit withdrawals through the size of the annuity divisor. The annuity divisor is calculated as a function of expected remaining life expectancy and discount rates. In these type of systems there is only an age of early pension withdrawal. In Ireland for example occupational pensions are available from the age of 50, however, it is not possible to withdraw the basic pension before the age of 66. In a similar manner it is possible to withdraw the NDC/DC pensions in a flexible manner in Sweden from the age of 61, however, if you are eligible for the minimum top-up pension you have to wait until 65. As a consequence the normal pension age not only differs between gender but it also differs across earnings levels, eligibility criteria and type of pension system and obviously how important income from these schemes are for the individual to finance retirement.

## 5.7. Early and normal retirement ages for an individual retiring in 2014 by type of pension scheme

		Scheme	Early age	Normal			Scheme	Early age	Normal
Australia		T	..	65	Italy	Men	NDC	..	62.5
		DC	55	..		Women	NDC	..	62
Austria	Men	DB (ER)	64.25	65	Japan		Basic/DB	60	65
	Women	DB (ER)	59.25	60	Korea		DB	56	61
Belgium		DB (ER)	60		Luxembourg		DB	57	60
		Min.	..	65	Mexico		T	..	65
Canada		Basic/T + DB	60 (DB only)	65			DC	Any age/60	65
		DB (ER)	60	..	Netherlands		Basic	..	65.2
Chile		Basic/T	..	65			DB (Occ)	..	65
	Men	DC	Any age	65	New Zealand		Basic	..	65
	Women	DC	Any age	60			DC	Flexible	
Czech Republic	Men	DB	60	62.67	Norway		Min.	67	67
	Women	DB	60	61.33			NDC/DB	62	67
Denmark		Basic/T	..	65	Poland	Men	NDC/min.	..	65.25
		DC (ATP)	..	65		Women	NDC/min.	..	60.25
		DC (Occ)	..	65	Portugal		DB	65	66
Estonia	Men	Points	60	63			Min.	..	66
	Women	Points	60	62	Slovak Republic	Men	DB	Subsistence level	62
		DC	62	..		Women	DB	Subsistence level	62-57.5 <sup>1</sup>
Finland		Min.	63	65	Slovenia	Men	DB	..	58.7
		DB	63	65		Women	DB	..	58.3
France		DB	61.2	61.2	Spain		DB	61	65
		Points	60.0	61.2	Sweden		GARP	..	65
Germany		Points	63	65			NDC/DC	61	..
Greece		DB	62	62	Switzerland	Men	DB	63	65
Hungary	Men	DB	..	62.5		Women	DB	62	64
	Women	DB	Any with 40 years	62.5	Turkey	Men	DB	..	60
Iceland		Basic/T	..	67		Women	DB	..	58
		DB (Occ)	65	67	United Kingdom	Men	Basic (SP)	..	65
Ireland		Basic/T	..	66		Women	Basic (SP)	..	62.5
		DC (Occ)	50	..			T (PC)	..	65
Israel	Men	Basic/T	..	67			DC	55	..
	Women	Basic/T	..	62	United States		DB	62	66
							T		65

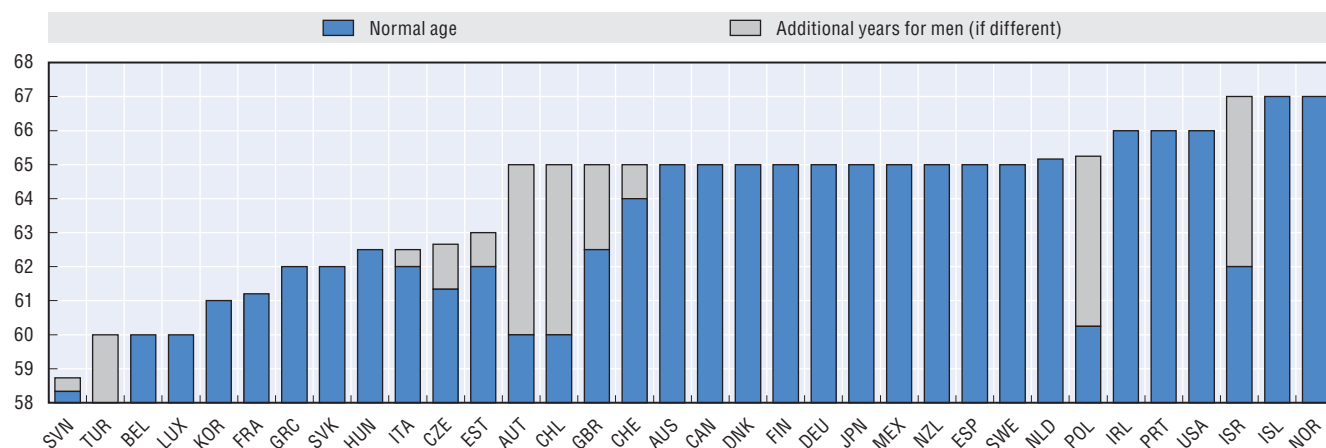
Note: The normal retirement age is calculated assuming labour market entry at age 20. DB = Defined benefit; DC = Defined contribution; .. = Early retirement or deferral of pension is not available; Occ = Occupational; T = Targeted. Where pension ages for men and women differ they are shown as men/women. - = Benefits automatically adjusted for early and late retirement in DC schemes.

1. Slovak Republic: For women with children the pension age is reduced.

Source: See "Country profiles" in Chapter 11 of this report.

StatLink  <http://dx.doi.org/10.1787/888933301087>

## 5.8. Current retirement age in 2014 for a person who entered the labour force at age 20



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