

## CURRENT RETIREMENT AGES

### Key results

The rules for eligibility to retire and withdraw a pension benefit are complex and often reflect conflicting objectives. This is all mirrored in the different criteria for pension benefit withdrawal in different schemes. In 2016 the OECD average normal pension age was equal to 64.3 years for men and 63.7 years for women across all schemes for an individual retiring in 2016 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 2016 the OECD average normal pension age was equal to 64.3 years for men and 63.7 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 60.0 for men in Luxembourg, Slovenia and Turkey. Iceland, Israel (for men only) and Norway have the highest normal pension age at 67.

In nine out of the 35 countries the pension ages still differ between men and women. In these countries the average pension age for men equalled 64.2 years and 61.7 for women. However, except for Israel, Poland and Switzerland these gender differences in the pension rules are being phased out. Turkey will still have a gender difference for full-career workers entering in 2016 but it will be phased out for those entering in 2028. Women in Chile are also eligible for the defined contribution component five years earlier than men, at age 60, but as they are not eligible to the basic pension until age 65 they are recorded as having the same normal retirement age.

In nine of the 35 countries, different rules apply to different components of the overall retirement-income package and so these are shown separately. In these nine 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 accumulated assets and the size of the annuity divisor. The annuity divisor is calculated as a function of expected remaining life expectancy and discount rates. In these types of systems there is only an age of early pension withdrawal. In Ireland for example occupational pensions are available from the age of 50, under certain circumstances, 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 basic pension, which acts as a minimum, you have to wait until 65. As a consequence the age of pension benefit withdrawal 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.

### 3.7 Early and normal retirement ages for an individual retiring in 2016 by type of pension scheme

	Scheme	Early age	Normal		Scheme	Early age	Normal
Australia	T	n.a.	65	Japan	Basic/DB	60	65
	DC	55	..	Korea	DB	57	61
Austria	Men DB (ER)	64.9	65	Latvia	NDC/DC	60.75	62.75
	Women DB (ER)	59.9	60		T	n.a.	67.75
Belgium	DB (ER)	62	65	Luxembourg	DB	60	60
	Min	n.a.	65	Mexico	T	n.a.	65
Canada	Basic/T	n.a.	65		DC	Any age/60	65
	DB (ER)	60	65	Netherlands	Basic	n.a.	65.5
Chile	Basic/T	n.a.	65		DB (Occ)		65
	Men DC	Any age	65	New Zealand	Basic	n.a.	65
	Women DC	Any age	60		DC	flexible	..
Czech Republic	Men DB	60	63	Norway	Min	67	67
	Women DB	60	62.3		NDC/DB	62	67
Denmark	Basic/T	n.a.	65	Poland	Men NDC/Min	n.a.	66
	DC (ATP)	n.a.	65		Women NDC/Min	n.a.	61
	DC (Occ)	60	..	Portugal	DB	65	66.2
Estonia	Points	60	63		Min	n.a.	66.2
	DC	62	..	Slovak Republic	Men DB	Substance level	62
Finland	Min	63	65		Women DB	Substance level	62-58.25 <sup>1</sup>
	DB	63	65	Slovenia	Men DB	n.a.	60
France	DB	61.6	61.6		Women DB	n.a.	59.3
	Points	56.7	61.6	Spain	DB	61	65
Germany	Points	65	65	Sweden	Basic	n.a.	65
Greece	DB	62	62		NDC/DC	61	..
Hungary	Men DB	n.a.	63	Switzerland	Men DB	63	65
	Women DB	Any with 40 years	63		Women DB	62	64
Iceland	Basic/T	n.a.	67	Turkey	Men DB	n.a.	60
	DB (Occ)	65	67		Women DB	n.a.	58
Ireland	Basic/T	n.a.	66	United Kingdom	Men Basic (SP)	n.a.	65
	DC (Occ)	50	..		Women Basic (SP)	n.a.	63
Israel	Men Basic/T	n.a.	67		T (PC)	n.a.	63
	Women Basic/T	n.a.	62		DC	55	..
Italy	Men NDC	62.8	66.6	United States	DB	62	66
	Women NDC	61.8	65.6		T		65

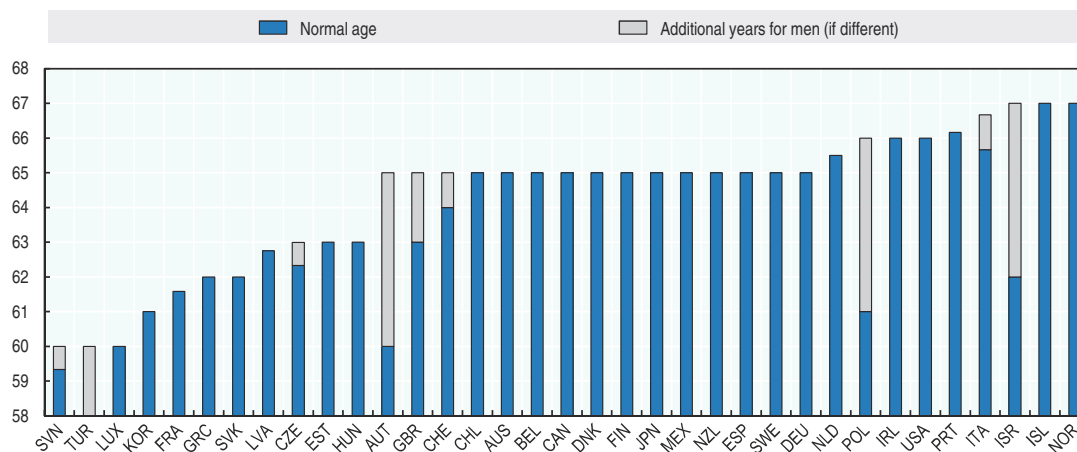
Note: The normal retirement age is calculated assuming labour market entry at age 20. DB = defined benefit; DC = defined contribution; n.a. = early retirement or deferral of pension is not available; Occ = occupational; T = targeted. Where pension ages for men and women differ they are shown as Men/Women. .. = benefits automatically adjusted for early and late retirement in DC schemes.


1. Slovak Republic: For women with children the pension age is reduced dependent on the number of children.

Source: See "Country Profiles" available at <http://oe.cd/pag>.

StatLink  <http://dx.doi.org/10.1787/888933633793>

### 3.8. Current retirement age in 2016 for a person who entered the labour force at age 20



StatLink  <http://dx.doi.org/10.1787/888933633812>



**From:**  
**Pensions at a Glance 2017**  
OECD and G20 Indicators

**Access the complete publication at:**  
[https://doi.org/10.1787/pension\\_glance-2017-en](https://doi.org/10.1787/pension_glance-2017-en)

**Please cite this chapter as:**

OECD (2017), "Current retirement ages", in *Pensions at a Glance 2017: OECD and G20 Indicators*, OECD Publishing, Paris.

DOI: [https://doi.org/10.1787/pension\\_glance-2017-9-en](https://doi.org/10.1787/pension_glance-2017-9-en)

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