

Key results

The average effective age of labour market exit was 64.6 for men and 63.1 for women across OECD countries in 2014. Across all OECD countries, the average effective age of labour market exit is six months higher than the average normal retirement age for men and equal to the average normal retirement age for women. The lowest effective exit age is found in France for men and in the Slovak Republic for women at 59.4 and 58.2 years, respectively. On the other range of the scale, Korea displayed the highest figures, at 72.9 years for men and 70.6 years for women, respectively.

On average across the OECD, the retirement age is 0.6 years lower for men than the effective age of labour market exit age, for women it is the same. However, there is considerable variation between OECD countries. The effective age of exit is three years lower than the retirement age in Poland for men and four years lower than the retirement age for women in Denmark. In contrast, the effective labour market exit age is considerably higher than the official retirement age in Korea at 12 years for men and ten years for women.

The normal retirement age for a person entering the labour market at age 20 was equal to 64.0 for men and 63.1 for women in 2014. The effective age of labour market exit is lower than official retirement age in the majority of OECD countries. It is lower for both men and women in 16 out of the 34 OECD countries.

However, there is considerable variation between OECD countries. The effective age of exit is almost three years lower for both men and women in Finland. In contrast, the effective labour market exit age is considerably higher than the official retirement age in 15 countries. The highest difference is found in Korea at 12 years for men and almost 10 years for women.

Gender gaps in the official retirement ages exist in 11 OECD countries. The effect on the exit age varies substantially across countries. In Chile for example women work until the age of almost 67 on average although the retirement age is only 60. In Italy, women retire at age 61 despite the retirement age being 62 assuming labour market entry at age 20. In most of these countries, the retirement age of women will align in the future to that of men and the only countries that will maintain a lower age for women are Chile, Israel and Switzerland.

Only in Spain, Finland and France is the effective age of labour market exit higher for women relative to men. In Finland and France they leave the labour market half a year after men, while in Spain they leave nearly 11 months after men. In all the other OECD countries men exit the labour market after women, with the largest difference observed in Mexico (3.9 years).

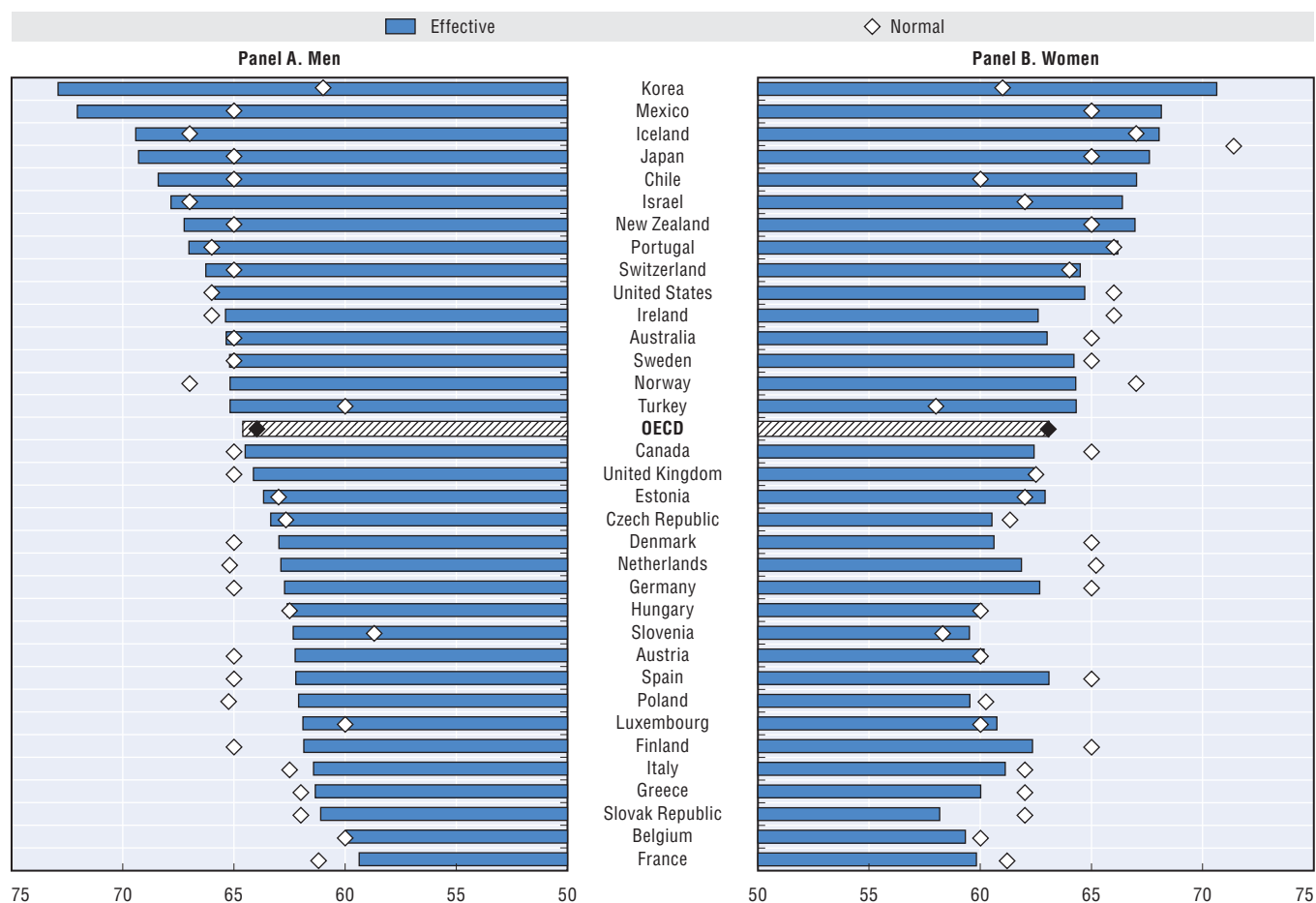
Over time there was a downward trend to the effective exit age until the early 2000s. In 1970 the effective exit age was 68.4 years for men and 66.4 years for women. In contrast, the effective age of labour market exit averaged 63.2 years for men and 61.1 years for women in 2000 with substantial cross-country variations: with a low for men of 58.3 years in Hungary and a high of 75.0 years in Mexico. For women, the average effective age of labour market exit ranges between 55.8 years and 69.8 years in Hungary and Mexico, respectively. By 2014 the average had come up again to 64.6 year for men and 63.1 for women.

Definition and measurement

The average effective age of retirement is defined as the average age of exit from the labour force for workers initially aged 40 and over. In order to abstract from compositional effects in the age structure of the population, labour force withdrawals are estimated using changes in labour force participation rates rather than labour force levels. These changes are calculated for each (synthetic) cohort divided into five-year age groups.

The normal retirement age is defined here as the current normal pension ages in 2014 assuming labour market entry at age 20. This age corresponds to the indicator "Current retirement ages" in Chapter 5).

7.8. Average effective age of labour-market exit and normal pensionable age in 2014

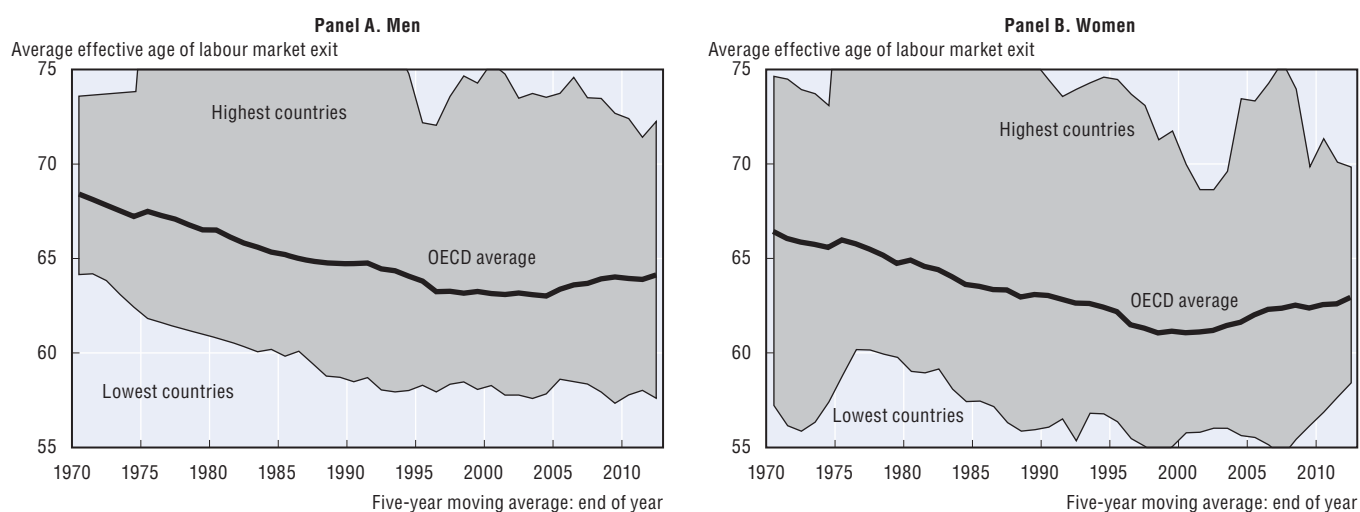


Note: Effective retirement age shown is for five year period 2009-14. Pensionable age is shown for individuals retiring in 2014 and assuming labour market entry at age 20.

Source: OECD estimates based on the results of national labour force surveys and the European Union Labour Force Survey (EU-LFS).

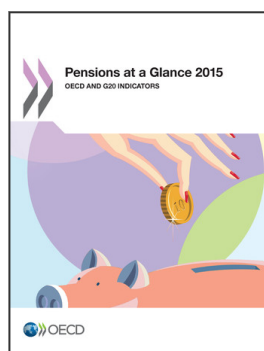
StatLink <http://dx.doi.org/10.1787/888933300814>

7.9. Average labour market exit age in OECD countries, 1970-2014



Source: OECD estimates based on the results of national labour force surveys, the European Union Labour Force Survey (EU-LFS) and, for earlier years in some countries, national censuses.

StatLink <http://dx.doi.org/10.1787/888933300827>



From:
Pensions at a Glance 2015
OECD and G20 indicators

Access the complete publication at:
https://doi.org/10.1787/pension_glance-2015-en

Please cite this chapter as:

OECD (2015), “Effective age of labour market exit”, in *Pensions at a Glance 2015: OECD and G20 indicators*, OECD Publishing, Paris.

DOI: https://doi.org/10.1787/pension_glance-2015-25-en

This work is published under the responsibility of the Secretary-General of the OECD. The opinions expressed and arguments employed herein do not necessarily reflect the official views of OECD member countries.

This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

You can copy, download or print OECD content for your own use, and you can include excerpts from OECD publications, databases and multimedia products in your own documents, presentations, blogs, websites and teaching materials, provided that suitable acknowledgment of OECD as source and copyright owner is given. All requests for public or commercial use and translation rights should be submitted to rights@oecd.org. Requests for permission to photocopy portions of this material for public or commercial use shall be addressed directly to the Copyright Clearance Center (CCC) at info@copyright.com or the Centre français d'exploitation du droit de copie (CFC) at contact@cfcopies.com.