

Key results

The average effective age of labour market exit was 63.8 years for men and 62.4 years for women across OECD countries in 2020. The lowest effective exit age is found in Luxembourg for men at 59.2 years and in Greece at 58.1 years for women. At the other end of the range, Japan and New Zealand (men) and Japan (women) displayed the highest figures, at 68.2 years and 66.7 years, respectively.

The average effective age of labour market exit remained below 64 in 2020 in more than half of OECD countries for men and in more than three-quarters of them for women. Average exit ages are at 61 years or below for men in Belgium, France, Greece, Luxembourg, the Slovak Republic, Spain and Turkey and at 60.5 years or below for women in Belgium, Colombia, Greece, Hungary, Luxembourg, Poland, the Slovak Republic, Slovenia, Spain and Turkey. By contrast, men in Japan and New Zealand withdrew from the labour market after age 68 on average, with women withdrawing after age 65 in Estonia, Japan and New Zealand. In all but six OECD countries, men exit the labour market after women, with the largest difference observed in Colombia (6.4 years). By contrast women in both Estonia and Luxembourg retire around one year later than men.

After several decades of a sharp downward trend, the average effective exit age reached its lowest level around the year 2000 for both men and women on average across countries. In 1970, the average effective exit age was 66.3 years for men and 64.9 years for women, against 61.4 and 59.7 years, respectively, in 2000. Since the year 2000, the effective age increased by four years or more for men in Estonia, Hungary, Latvia, the Netherlands, New Zealand and Portugal and by over six years for women in Estonia, Latvia, New Zealand and Slovenia. The evolution of the average normal retirement age in

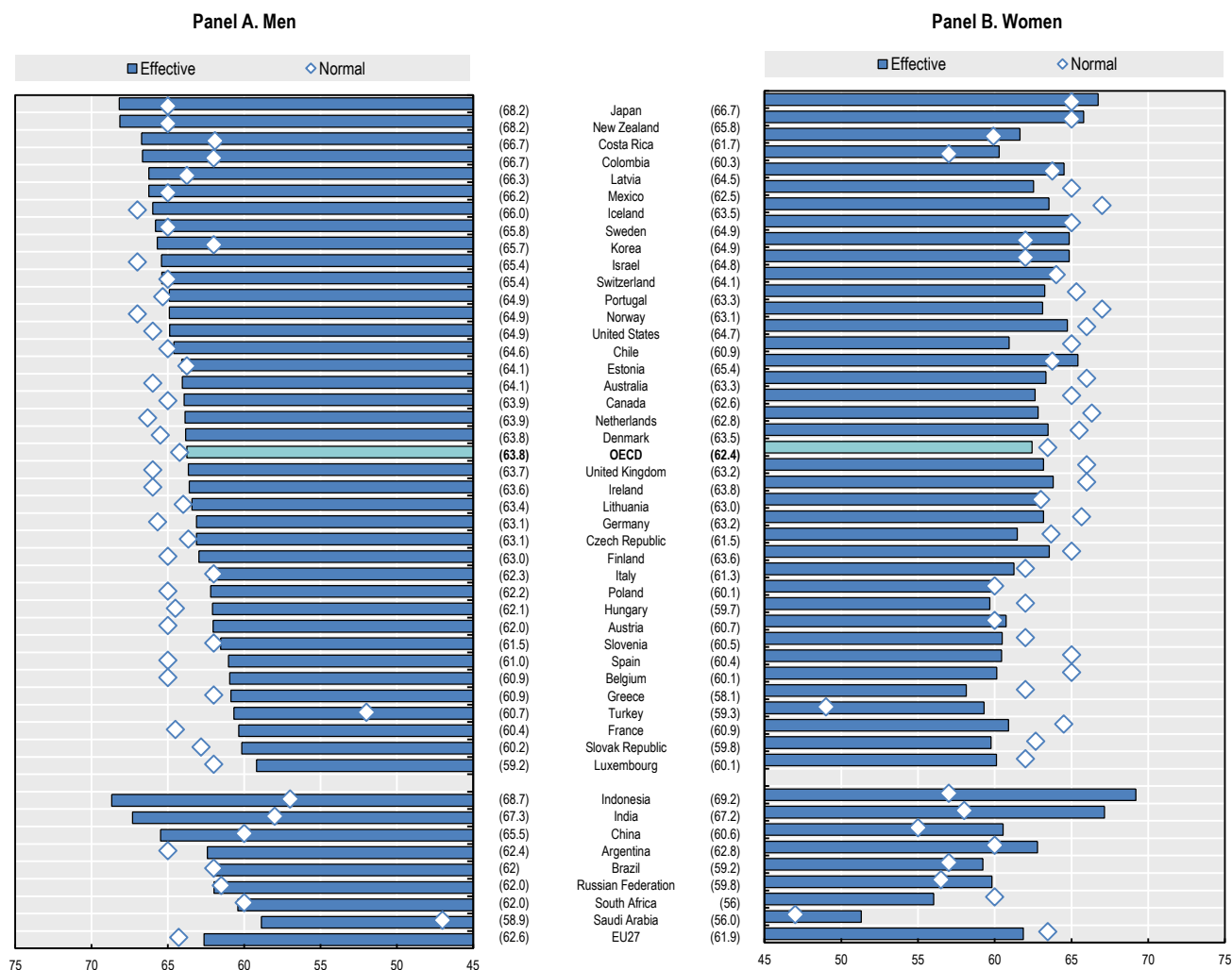
the OECD shows a similar U-shape pattern as for the exit age, for both women and men, although the decline in the normal retirement age from the 1970s until the turn of the century was less pronounced and the upturn started earlier – at the beginning rather than the end of the 1990s. The current average labour market exit ages are very close to levels reached in the early 1980s.

Definition and measurement

The average effective age of labour market exit is defined as the average age of exit from the labour force for workers 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. From this edition of *Pensions at a Glance*, each age group is weighted by its average population share among OECD countries.

The normal retirement age is defined as the age of eligibility to all mandatory components of the pension system in 2020, assuming labour market entry at age 22 and an uninterrupted career. This age corresponds to Figure 3.4 in Chapter 3.

Figure 6.14. Average effective age of labour market exit and normal retirement age in 2020

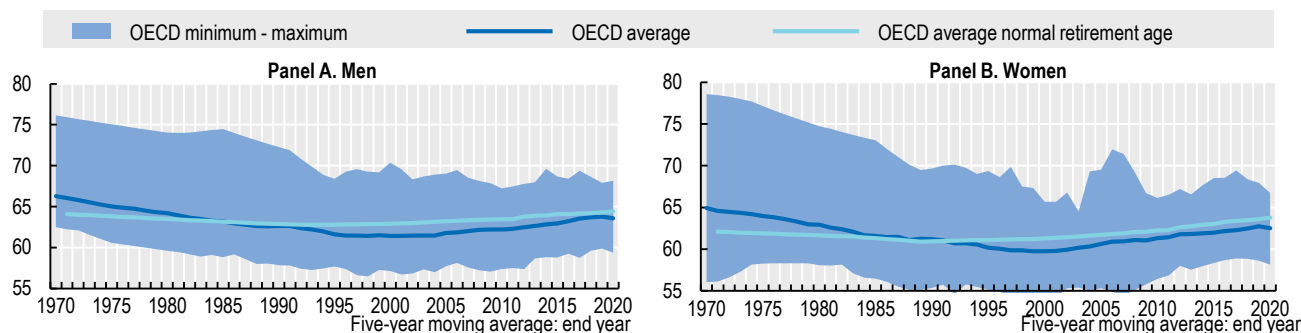


Note: Effective labour market exit age is shown for the five-year period 2015-20. Normal retirement age is shown for individuals retiring in 2020 after a full career from labour market entry at age 22.

Source: OECD estimates based on the results of national labour force surveys and the European Union Labour Force Survey. Normal retirement age: See Chapter 3.

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Figure 6.15. Average effective age of labour market exit in OECD countries, 1970-2020



Source: OECD estimates based on the results of national labour force surveys, the European Union Labour Force Survey and, for earlier years in some countries, national censuses. Normal retirement age: Estimate based on data provided by countries.

StatLink <https://stat.link/zqsnsht>



From:
Pensions at a Glance 2021
OECD and G20 Indicators

Access the complete publication at:
<https://doi.org/10.1787/ca401ebd-en>

Please cite this chapter as:

OECD (2021), “Effective age of labour market exit”, in *Pensions at a Glance 2021: OECD and G20 Indicators*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/f735ea2f-en>

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