

### Key Results

The average effective age of labour market exit was 65.4 for men and 63.7 for women across OECD countries in 2018. It is fourteen months higher than the average normal retirement age for men and two months higher for women. The lowest effective exit age is found in Luxembourg for men and in the Slovak Republic for women at 60.5 and 59.9 years, respectively. At the other end of the range, Korea displayed the highest figures, at 72.3 years for both women and men.

The average effective age of labour market exit remained below 65 in 2018 in slightly less than half of OECD countries for men and in two-thirds of them for women. Average exit ages are at or below 60 for women only in Greece, Hungary and the Slovak Republic. They are below 62 for both men and women in Belgium, France, Greece, Luxembourg and the Slovak Republic. By contrast, both women and men in Korea and men in Chile, Japan, Korea and Mexico withdrew from the labour market on average after age 70. In nearly all OECD countries, men exit the labour market after women, with the largest difference observed in Mexico (4.8 years). Only in Estonia, France and Luxembourg is the effective age of labour market exit higher for women than for men, though only slightly.

On average across the OECD, the normal retirement age of men was 1.2 years lower than the effective age of labour market exit in 2018; for women it was 0.2 years lower. However, there is considerable variation between countries. The effective age of labour market exit is lower than the normal retirement age in 19 countries for women, and 16 for men and is lower for both men and women in 14 out of the 36 OECD countries. In Italy the effective age of exit is 3.7 and 5.1 years lower than the normal retirement age for men and women, respectively. By contrast, in Korea and Turkey, the effective labour market exit age is considerably higher than the normal retirement age for both men and women.

After several decades of a sharp downward trend, the average effective exit age reached its lowest level in the late 1990s for women and the early 2000s for men on average

across countries. In 1970, the average effective exit age was 68.8 years for men and 66.5 years for women, against 63.1 and 61.0 years, respectively, in 2000. Since the year 2000, the effective age increased by over five years for men in Estonia, Hungary, Korea, New Zealand and Portugal and by just over 6.5 years for women in Estonia, Korea and New Zealand, with Turkey even increasing by almost eight years. The evolution of the average normal retirement age in the OECD shows a similar 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 centuries was less pronounced and the upturn started earlier - at the beginning rather than the end of the 1990s.

### 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.

The normal retirement age is defined as the age of eligibility to all mandatory components of the pension system in 2018, assuming labour market entry at age 22 and an uninterrupted career. This age corresponds to Figure 4.4 in Chapter 4.

Figure 6.9. Average effective age of labour market exit and normal retirement age in 2018

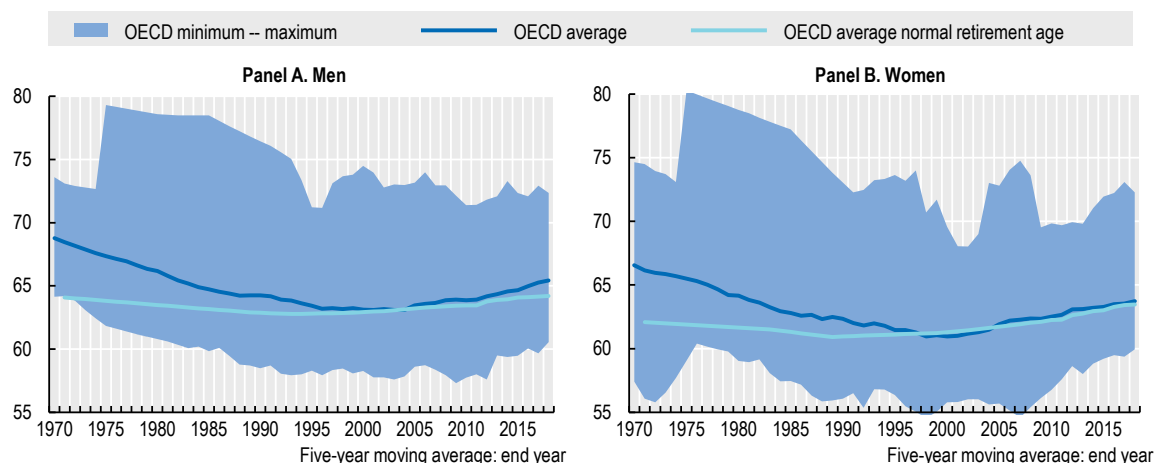


Note: Effective retirement age is shown for the five-year period 2013-18. Normal retirement age is shown for individuals retiring in 2018 after a full career from labour market entry at age 22.

Source: OECD estimates based on the results of national labour force surveys and the European Union Labour Force Survey, <https://www.oecd.org/els/emp/average-effective-age-of-retirement.htm>. Normal retirement age: See Chapter 4.

StatLink <https://doi.org/10.1787/888934042029>

Figure 6.10. Average effective age of labour market exit in OECD countries, 1970-2018



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, <https://www.oecd.org/els/emp/average-effective-age-of-retirement.htm>. Normal retirement age: Estimate based on data provided by countries.

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