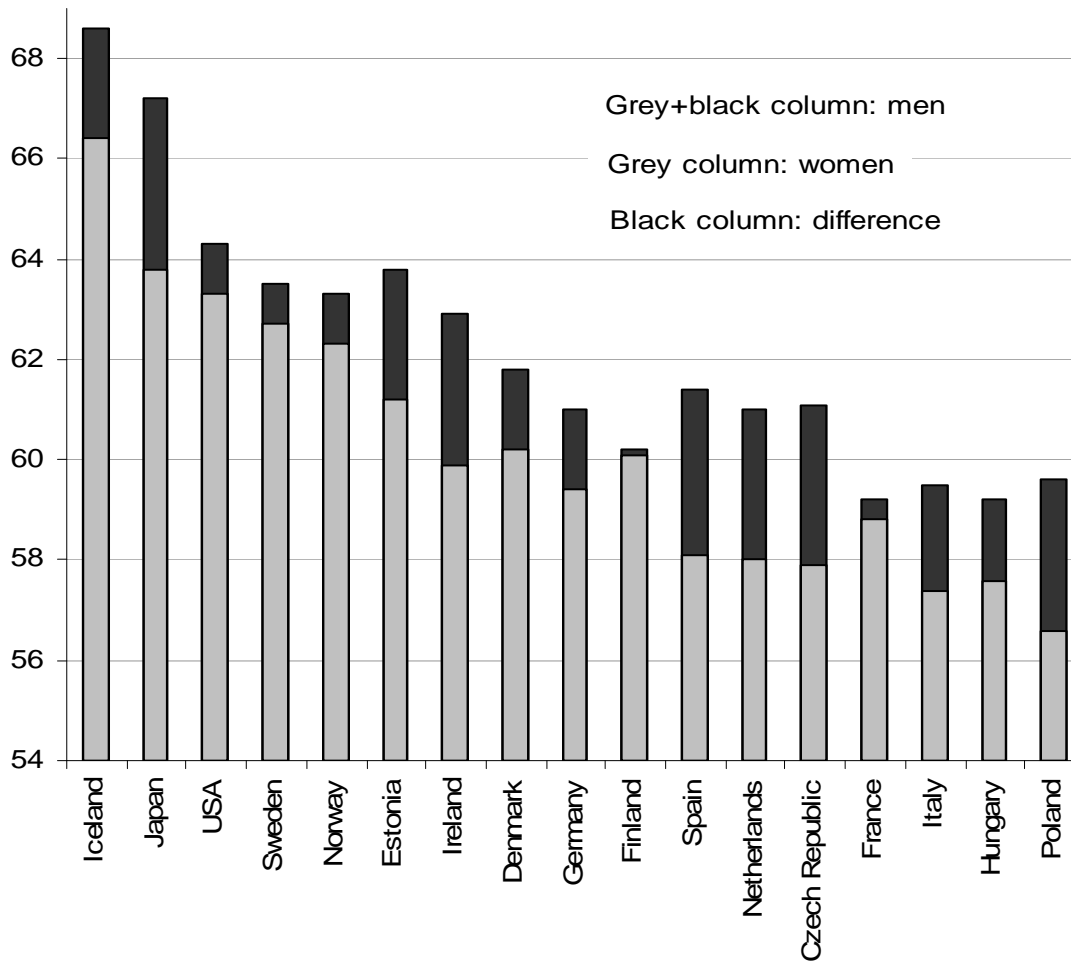


Labour Force Participation of Elderly Workers in Sweden.

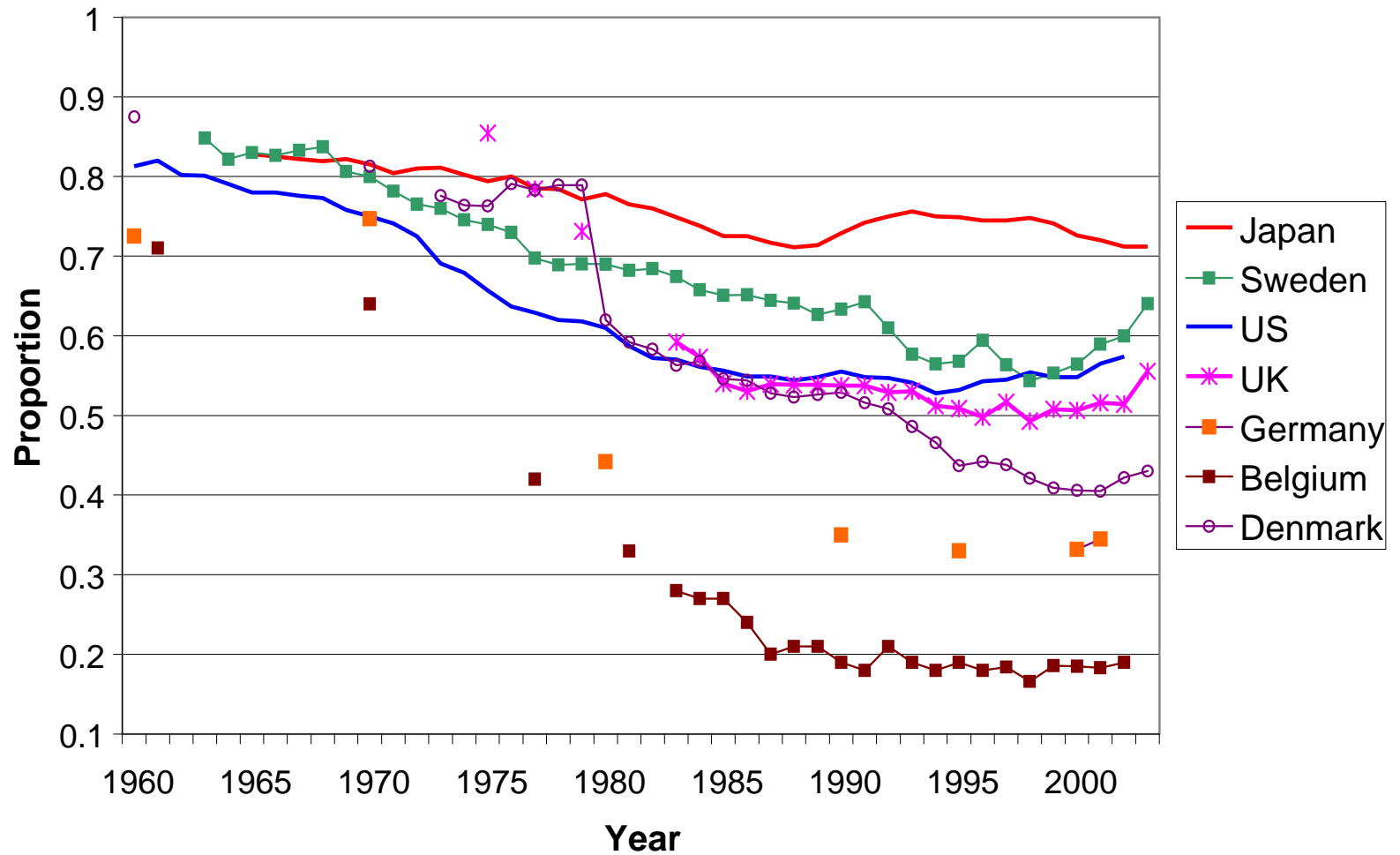
International Workshop on Incentives and Policies to Raise the Effective Retirement Age.
18 June 2010.

Ingemar Svensson
Swedish Pensions Agency

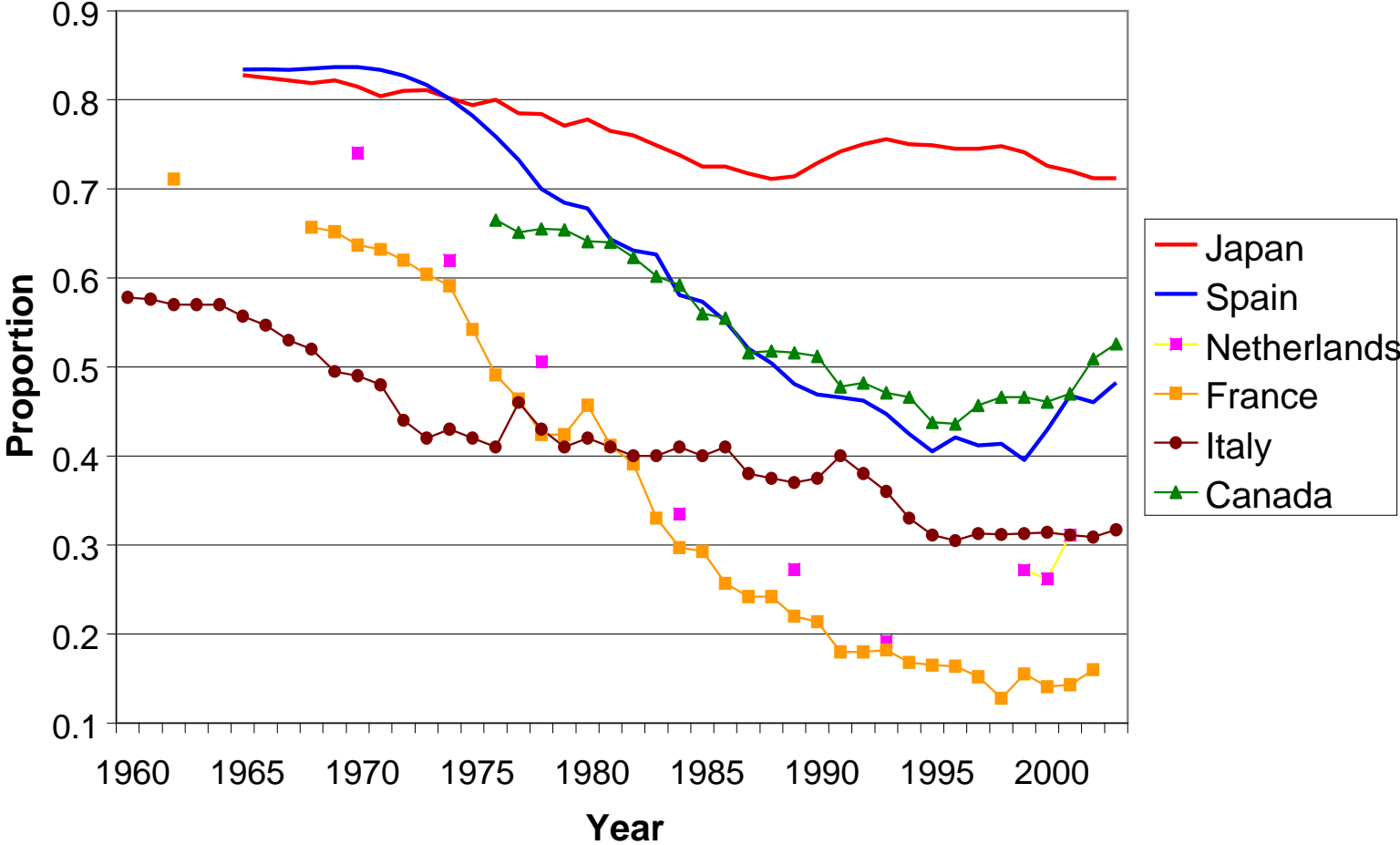
Average retirement (exit) age in 2004.



Labour force participation rate. Men age 60-64.



Labour force participation rate. Men age 60-64.



Policies of relevance for the development.

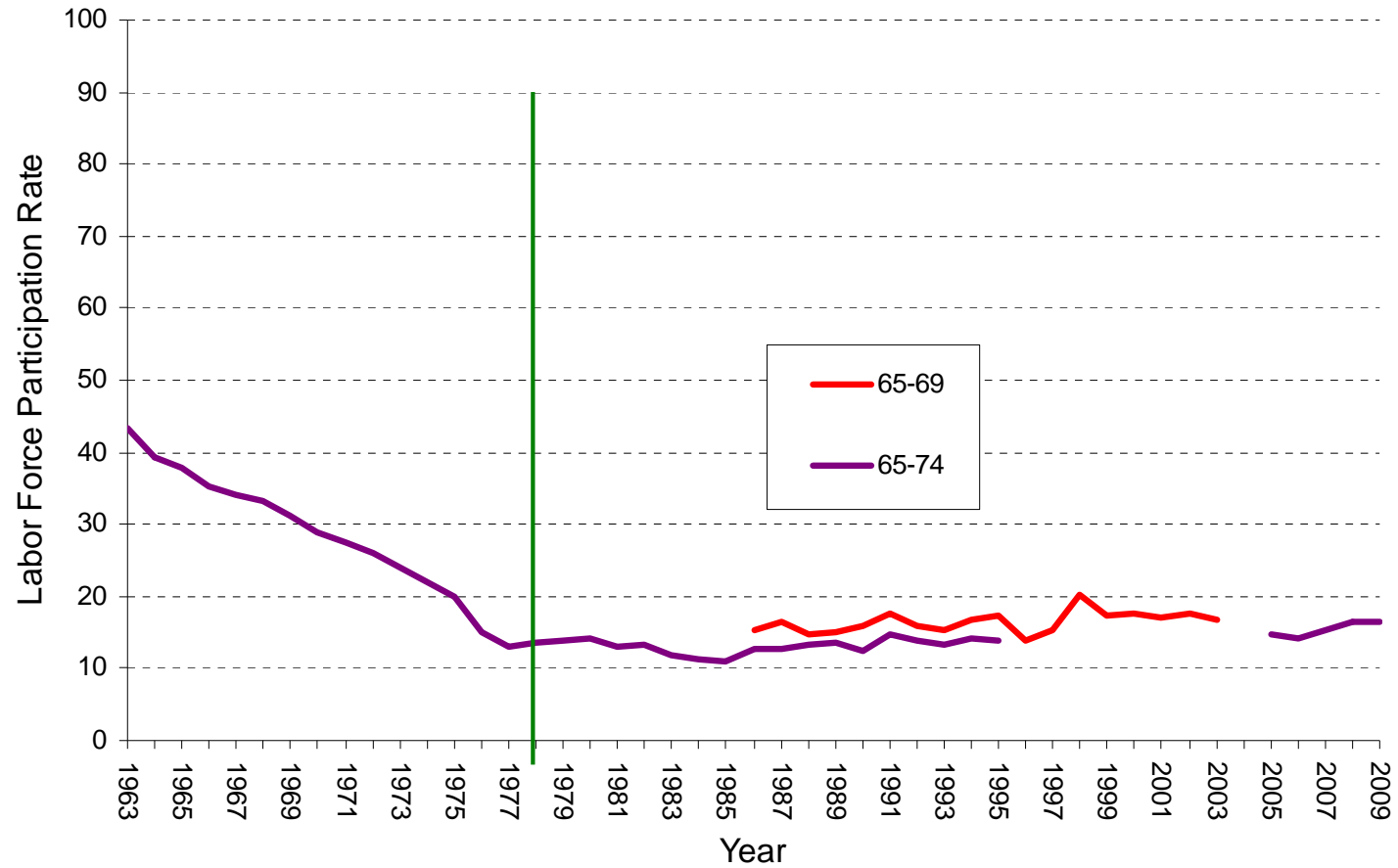
- Pension age
- Incentives
- Information and the "default" pension age
- High ambitions for social protection but combined with the work principle

Decrease of pension age from 67 to 65 was driven by the social partners:

Occupational pension schemes provided benefits between 65 and 67.

- White collar workers in private sector 1960
- Government employees 1960-1965
- Blue collar workers in private sector 1973
- All population 1976

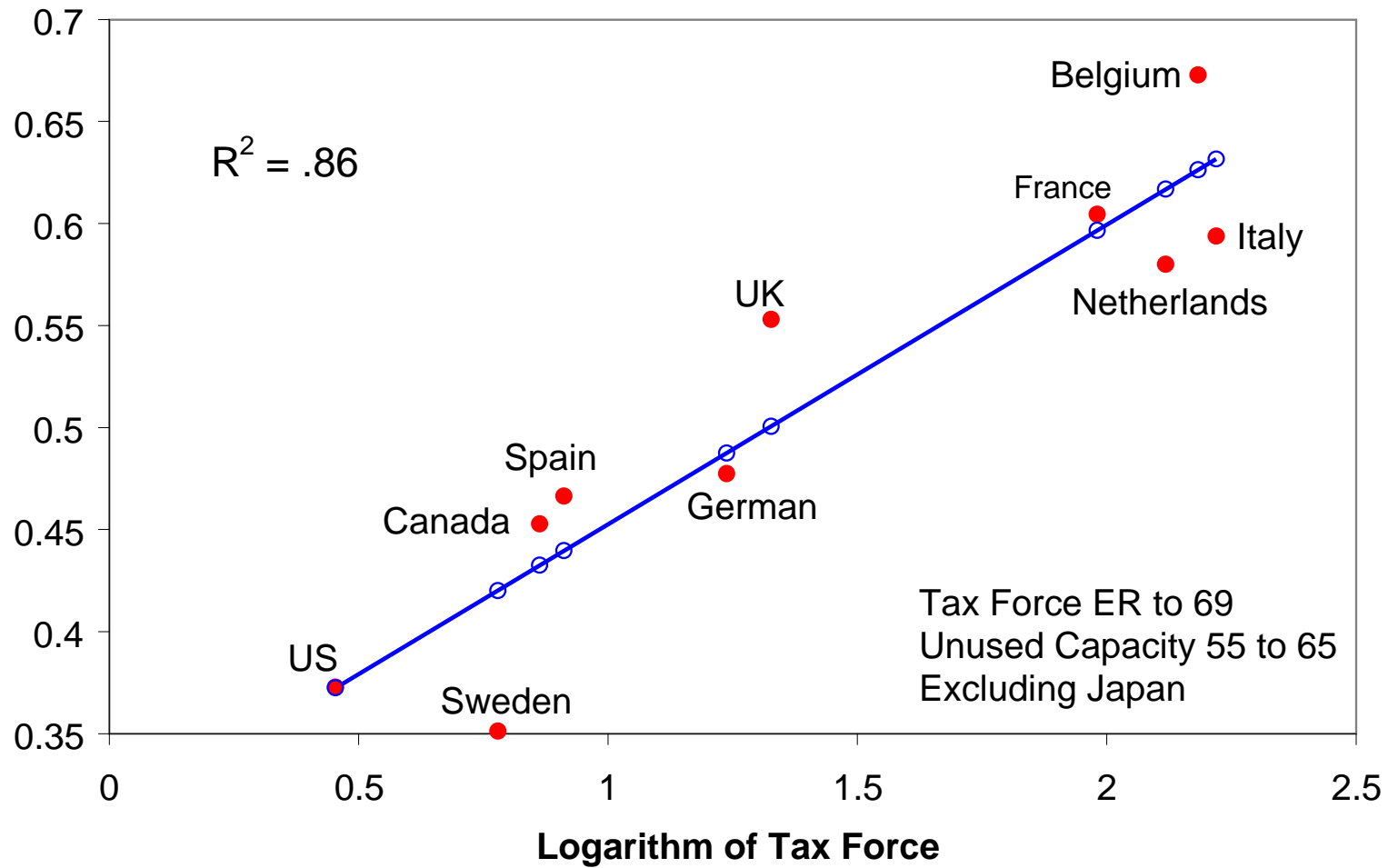
Labour force participation. Men. Age 65-74.



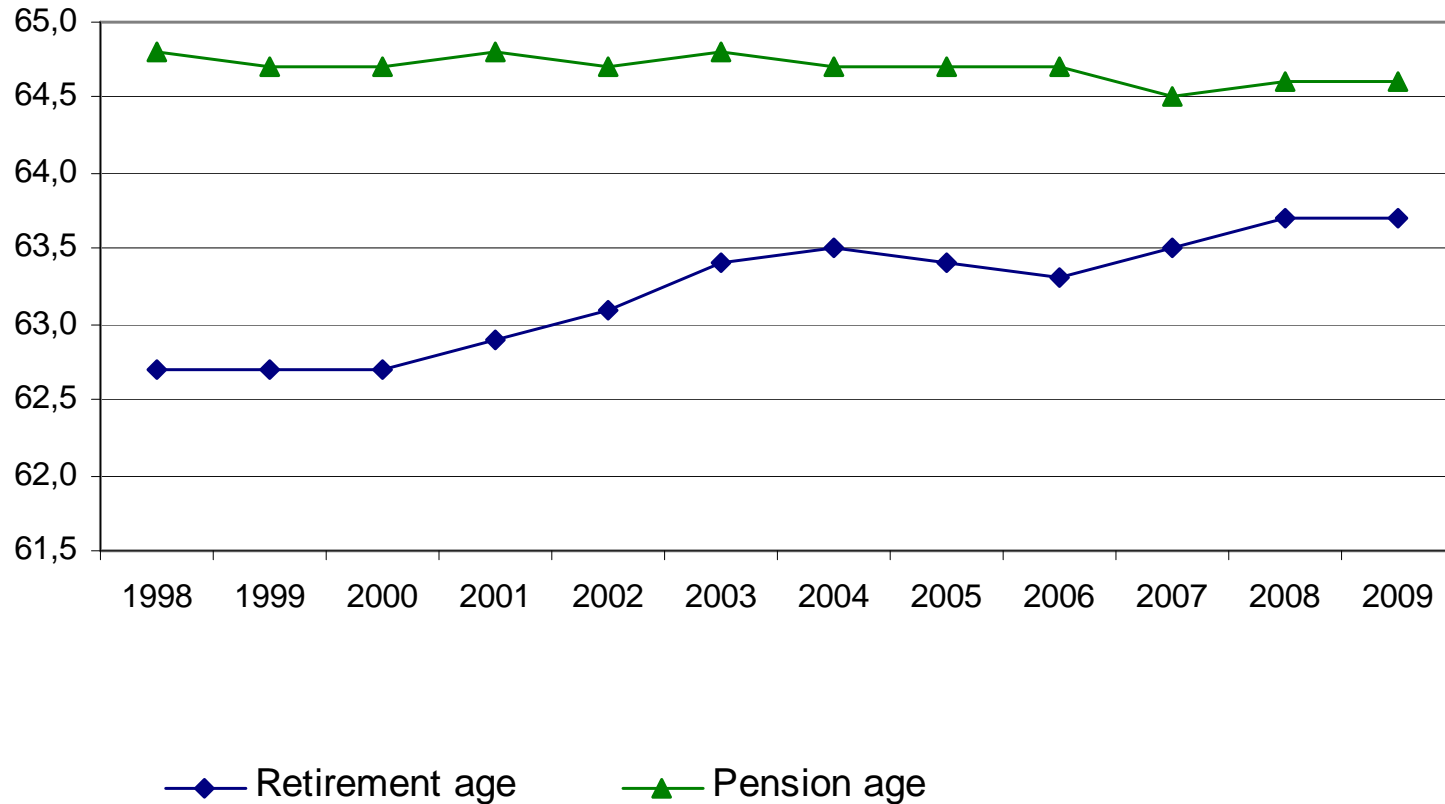
Retirement ages and actuarial adjustment factors within the national old age pension program.

Period	NR	ER	UR	Reduction per month	Increase per month
1914-1962	67	-	-	-	-
1963-1976(June)	67	63	72	0.6	0.6
1976(July)- 1990(June)	65	60	70	0.5	0.5
1990(July)-1997	65	60	70	0.5	0.7
1998-2002	65	61	70	0.5	0.7
2003- (NDC)	(65)	61			

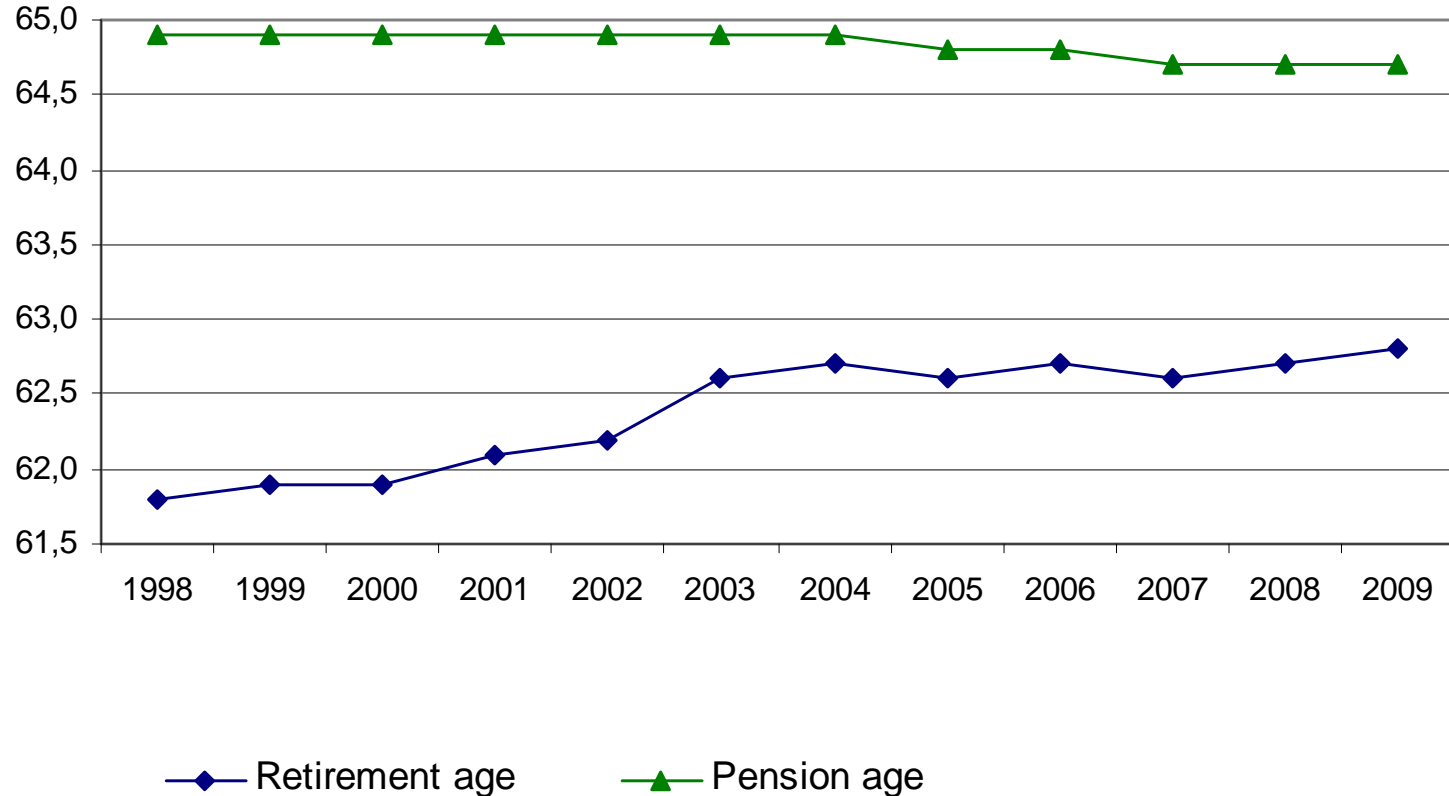
Incentives and share of population not in the labour force. Around 1995.



Average retirement (exit) age and pension age. Men.



Average retirement (exit) age and pension age. Women.



NDC reform in 2003. Some changes which might have affected pension behaviour.

- Age 65 no longer a "default" pension age. Application from the individual is required.
- Annual information letter explaining the consequences of different pension ages is sent to each working age individual.
- Employee protection legislation applicable until age 67 instead of 65.

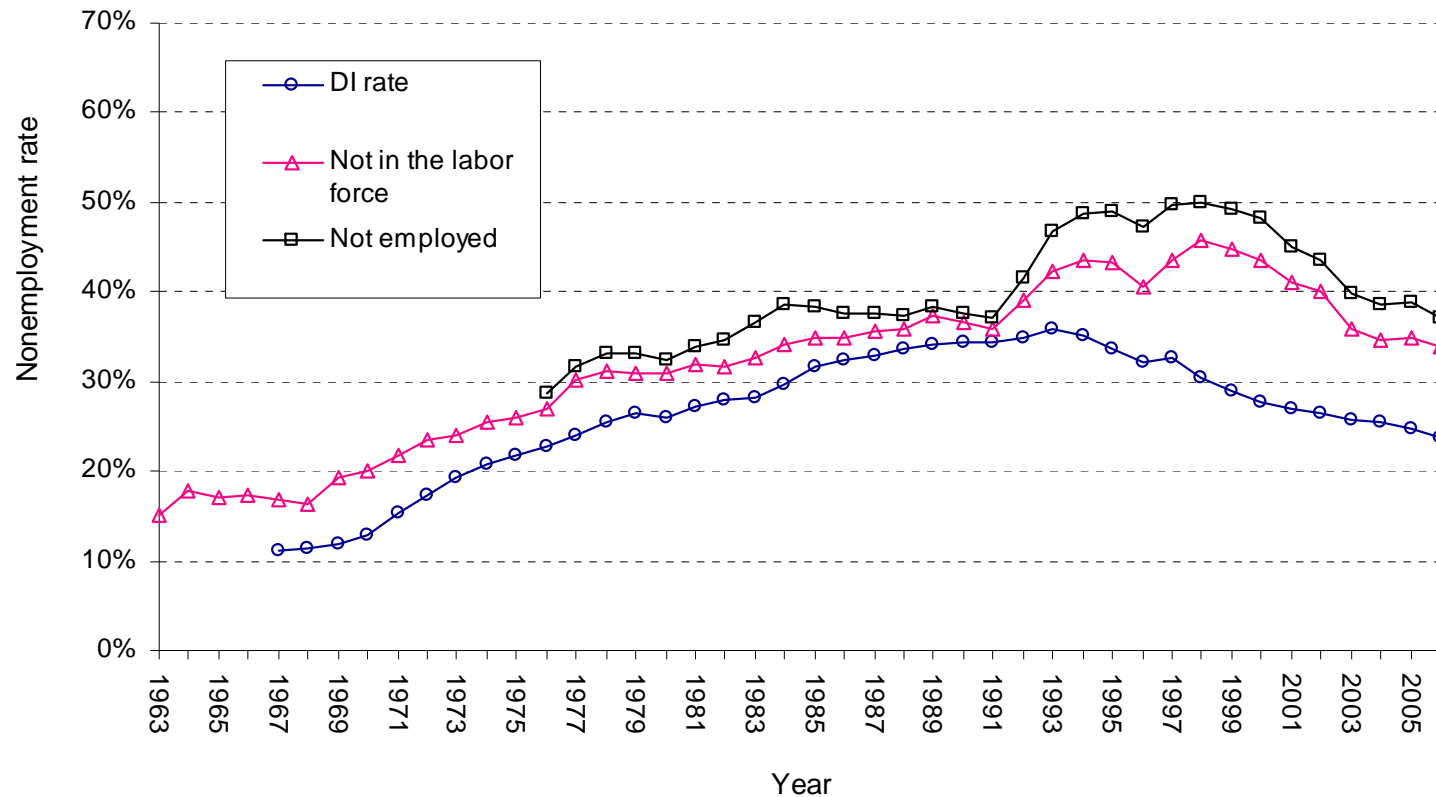
Age distribution of new old age pensions in 2003-2007.

Age	2003	2005	2007
61-64	13	17	22
65	82	71	64
>65	5	12	14
All ages	100	100	100

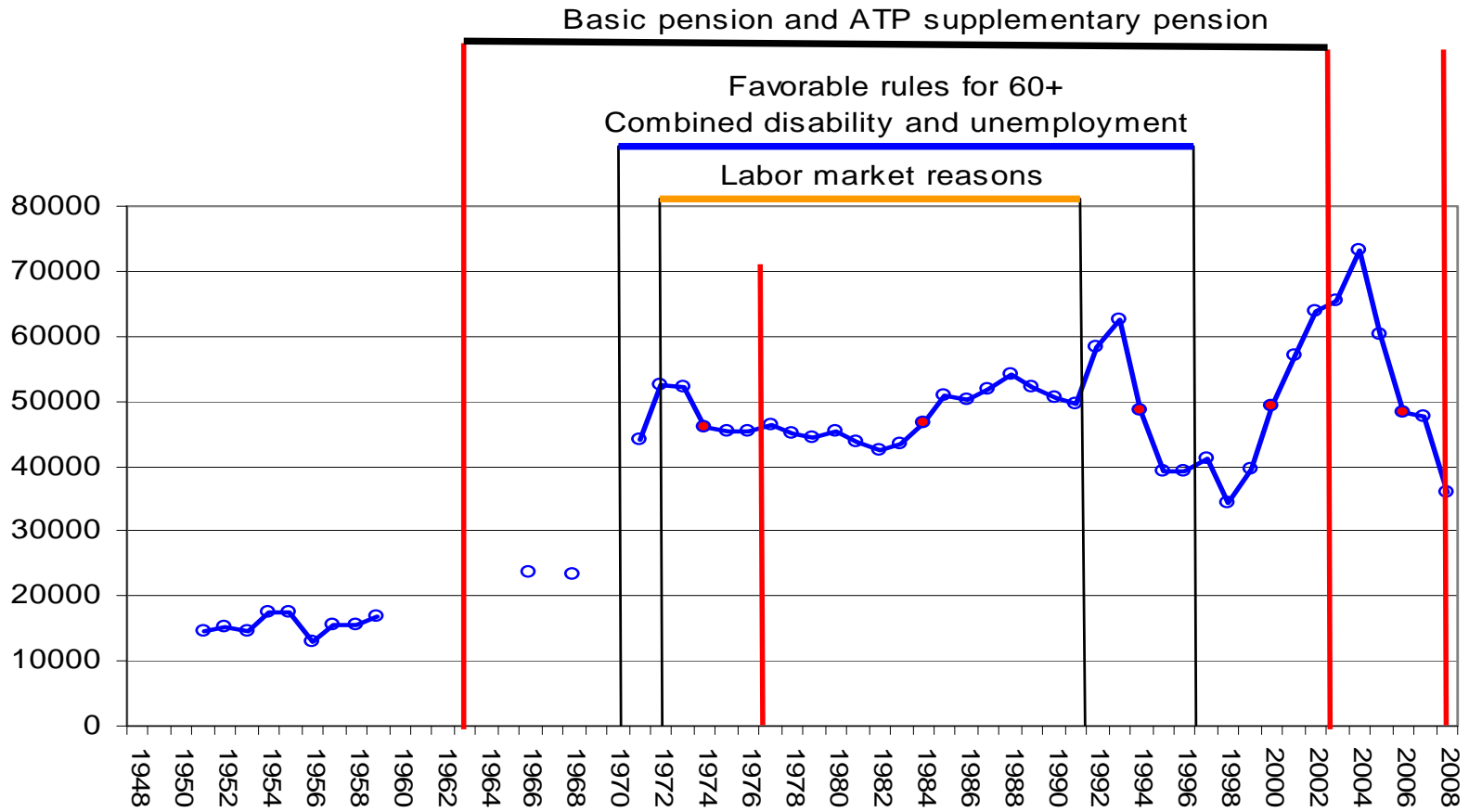
Exit paths before age 65

- Public schemes
 - Unemployment insurance (UI)
 - Sickness insurance (SI)
 - Disability insurance (DI)
- Occupational schemes (OCC)
 - Pension
 - Unemployment

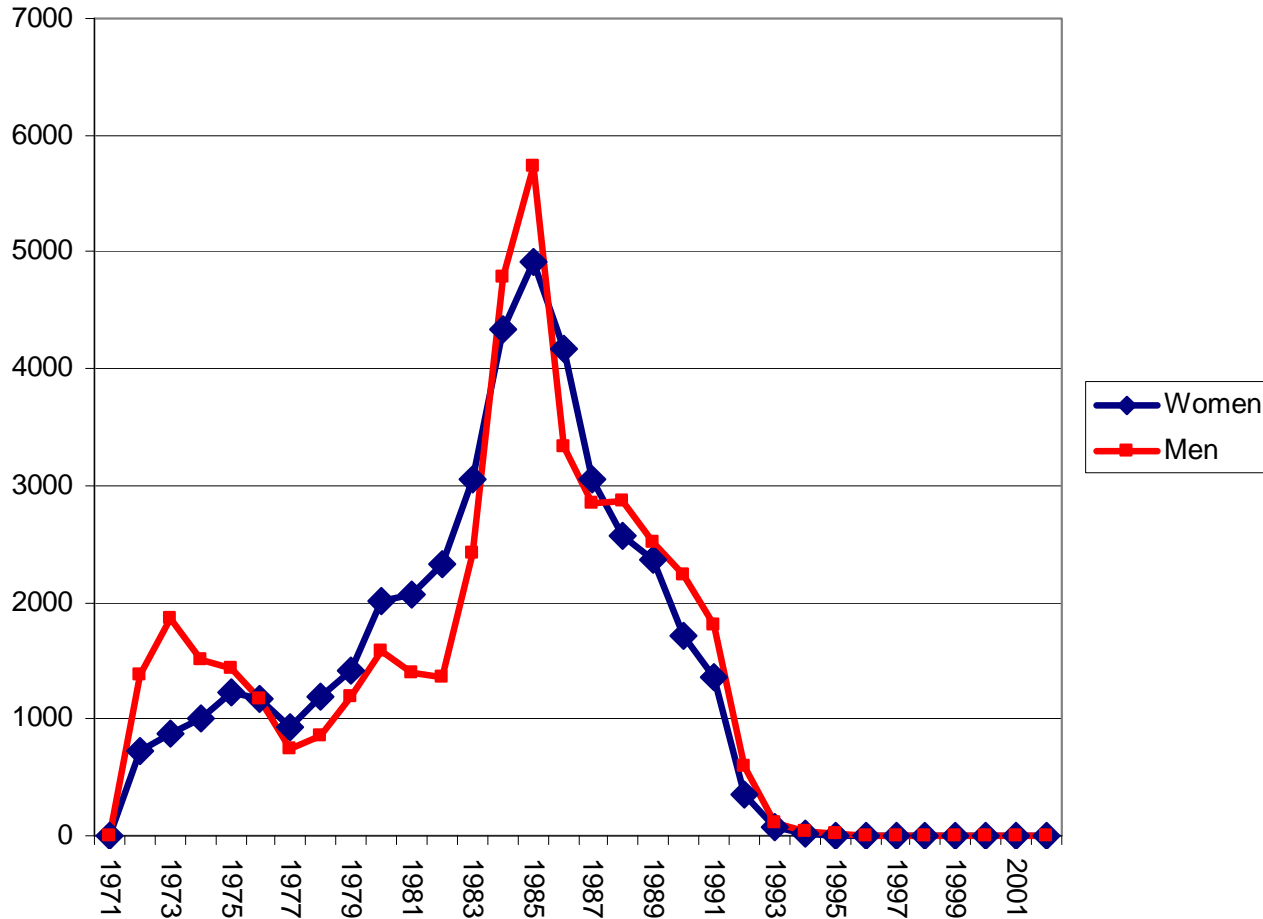
"Disability insurance" the dominant exit path 1970-1990.



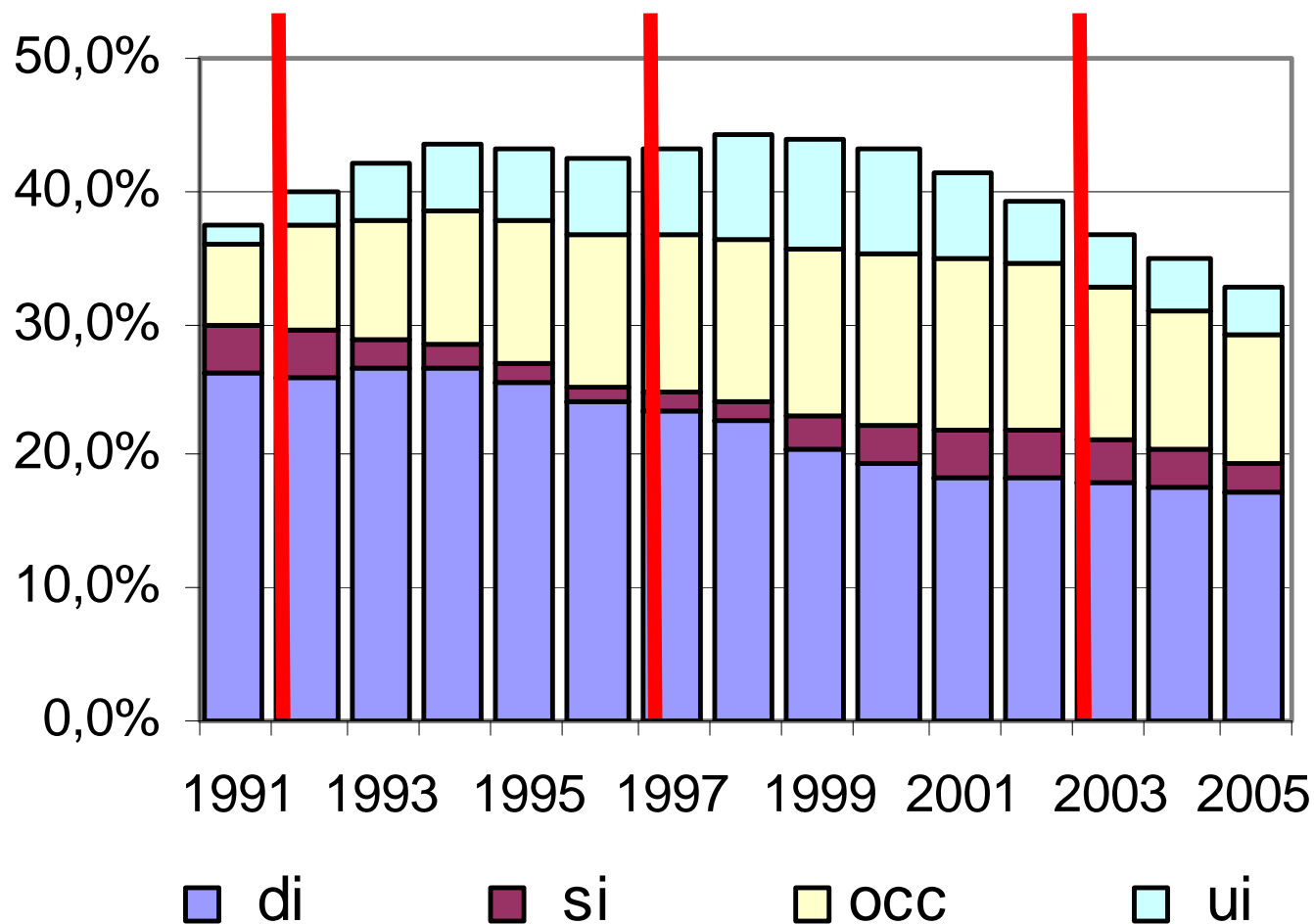
Annual number of new “Disability pensions” 1951-2008 and the timing of DI reforms.



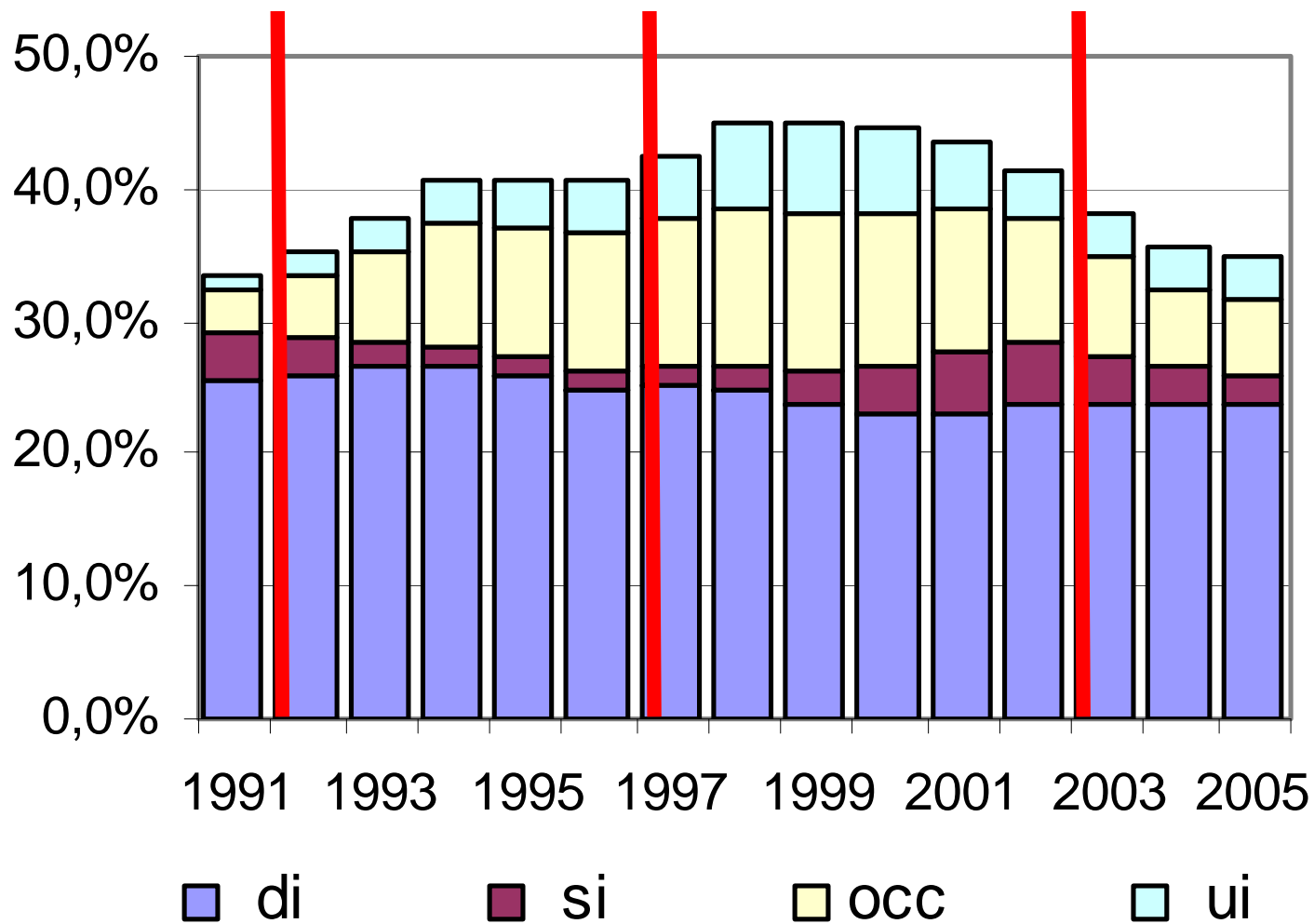
Labour market reasons for "Disability pension".



Program participation. Men age 60-64.



Program participation. Women age 60-64.



Conclusions

- Reasonably "good" incentives are necessary
- Labour force participation of workers above age 65 is slowly increasing
- So far limited success in reducing exits from the labour market for health and unemployment reasons. There has been much substitution between different programmes
- Macroeconomic policy as important as labour market and pension policy