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Unit F-2: Labour market



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**TRANSITION FROM WORK TO
RETIREMENT**

Explanatory notes, list of variables and
filters

1. Policy background and focus of the 2012 Labour Force Survey module on transition from work to retirement

Set up at the Lisbon European Council of March 2000, the Open Method of Coordination provides a framework of political coordination without legal constraints. Member States agree to identify and promote their most effective policies in the fields of Social Protection and Social Inclusion with the aim of learning from each other's experiences. Based on commonly agreed objectives and indicators Member States submit national strategies for common evaluation in the area of adequate and sustainable pension provision, also in the light of population ageing.

An improvement of the understanding of the paths of transition out from the labour market to retirement is not only relevant in the framework of the Open Method of Coordination in the field of pensions but also within the Europe 2020 Strategy¹. In particular, guideline 7 refers to increasing labour market participation and reducing structural unemployment and demands to "...increase labour force participation through policies to promote active ageing" and "to bring by 2020 to 75% the employment rate for women and men aged 20-64 including through the greater participation of (...) older workers".

In 2006, a LFS ad hoc module on transition from work to retirement was conducted for the first time. It aimed in particular at establishing firstly how the transition at the end of the career towards full retirement takes place or is expected to take place, and secondly at analysing the factors determining the exit from work and the factors that could make people postpone the exit from work.

The results from the module have contributed to the analyses in the 2008 Joint Report on Social Protection and Social Inclusion and have also formed the basis of the special report, *Promoting longer working lives through pension reforms - Early Exits from the labour market*, adopted by the Social Protection Committee in January 2008². The LFS ad hoc module of 2006 formed a key foundation of the report and helped to identify new areas of policy as pertaining to extending working lives in order to ensure adequate and sustainable pensions in the future. The findings of the report based on the data showed that pension reforms focused on extending working lives by strengthening the link between contributions and benefits, increasing eligibility criteria, raising the retirement age, or giving actuarial financial incentives to work longer and disincentives for earlier retirement.

The Joint Report adopted by the Council in February 2008 observed that employment rates have risen for all categories of older workers due to active inclusion measures; pension and labour market reforms have improved incentives to work, but still more people need to work more and longer.

The 2009 Joint Report reiterated that the long-term adequacy and sustainability of pension systems depend on continued efforts to reach the Lisbon target of a 50% employment rate of older workers. Furthermore, reference was made to the effects of the economic downturn on the age management and postponement of retirement indicating the importance to monitor the labour market situation of older workers and the durability of the policies in place to sustain the employment of older workers.

The 2010 Joint Report observed that the balance between adequacy and sustainability - the object of a decade of pension reforms - is under further pressure from the financial and economic crisis. Increased employment rates for older workers must now be defended against rising unemployment.

¹ <http://ec.europa.eu/eu2020/pdf/Brochure%20Integrated%20Guidelines.pdf>

² <http://ec.europa.eu/social/BlobServlet?docId=746&langId=en>

The LFS module for 2012 is, therefore, crucial for following up these reforms and for forming a basis for further policy making in this field.

The 2012 LFS ad hoc module “Transition from work to retirement” aims at answering four main questions:

- how people leave the labour market
- why they left the labour market
- why they did not stay longer and
- how long the active population, aged 50 to 69, expects to be in the labour market

Information on the past is preferable to forward-looking information because the former is based on facts; however the module should include some forward-looking elements as well to get a full picture.

The results are intended for use in the framework of the Open Method of Coordination in the field of pensions, for the Joint Social Protection, Social Inclusion report, and in the framework of the Europe 2020 Strategy, in particular for the monitoring of the guideline on increasing labour market participation and promoting active aging.

2. Target population

The target population is everybody aged 50 to 69, currently working or having worked after the age of 50.

In order to decide the questions to be asked and to facilitate the implementation of the module in paper questionnaires, the target population will be classified according to a *simplified ILO status* in three main subgroups: *Employed*, *Unemployed* and *Inactive*. The simplification only affects the distinction between the unemployed and the inactive.

The definition is based on two core variables: WSTATOR and SEEKWORK:

- EMPLOYED: WSTATOR = 1, 2
- UNEMPLOYED: WSTATOR=3, 5 AND SEEKWORK =1, 2, 4
- INACTIVE: WSTATOR=3, 5 AND SEEKWORK =3

WSTATOR=4, 9 are not considered in the filters of the module because the first value (WSTATOR=4) refers to people doing the compulsory military service and the second one (WSTATOR=9) to children less than 15 years old. A similar argument is valid for SEEKWORK=9 (SEEKWORK=9 refers to people aged 75 or older and to interviewees having answered WSTATOR=1, 2, 9 and SIGNISAL ≠ 3).

Respondents with SEEKWORK=2 (has found a job beginning in more than 3 months) are considered as unemployed (whereas they are inactive in the LFS) because the kind of questions addressed to the unemployed in this module are more suitable for them than the ones for the inactive.

The module is mainly focused on the population receiving a pension. To know of whom this population is made up of, the module starts by asking a general question on reception of a pension. Depending on the answer and on the simplified ILO status, the respondents are routed through the module (see scheme at the end of the document).

3. Definition of pension

The legal frameworks and the pensions systems vary significantly between countries. This situation makes it difficult to give a common definition that is valid for all countries and easy to implement in a household survey. For that reason, a two-step approach has been taken.

In order not to start the module with a too difficult question on pensions, which might lead to a wrong routing from the very beginning, the first variable of the module should be broad and simple, in the sense that no strict definition of pension will be provided to the respondent. This will help the start of the module as not everybody is able to identify precisely what type of pension or benefit he/she receives.

In this first step the respondent will decide, basically via his/her own judgment, whether the type of benefit he or she is receiving is a pension. Only one general condition is required: the payment considered as pension has to be a **regular and periodic benefit in cash -apart from salaries or wages-** and including bank transfers, cheques and similar payments. Lump-sum payments and benefits in kind are excluded from the definition.

The target definition includes pensions which are of any of the types below:

- public or private
- voluntary or mandatory
- defined contribution or defined benefit

Means-tested pensions, pensions to support the income of elderly persons and disability pensions should all be covered.

In a second step (i.e. after the introductory question), the type of pension received will be investigated. In this case, the four functions indicated in the ESSPROS³ module on pension beneficiaries (old-age, disability, survivor's and unemployment functions) will be used as the general framework⁴. This framework will be supplemented to get more detailed and specific information on the old-age pensions (i.e. statutory, occupational and personal schemes).

1. Old-age pensions are periodic payments intended to maintain the income of the beneficiary after retirement from gainful employment at the legal or standard age or to support the income of elderly persons. For the purpose of the module, the **anticipated old age pension** (periodic payments intended to maintain the income of the beneficiary who retires before the legal or standard age, with or without reduction of the normal pension) and the **partial retirement pension** (periodic payments of a portion of the full retirement pension to older workers who continue to work but reduce their working hours or whose income from a professional activity is below a set ceiling; this partial pension is usually converted into an old age pension when the beneficiary retires completely) are considered old-age pensions.

The old-age pensions will be further classified into three categories⁵:

- **Statutory old-age pensions** cover social security pensions and similar statutory programmes administered by the general government; that is central, state, and local governments, as well as other public sector bodies such as social security institutions. The unfunded pay-as-you-go (PAYG) and the minimum pension schemes are the main categories included in this group. All Member States have an unfunded PAYG pension system to which people in employment contribute (which can also include a reserve fund). In some Member States, it is complemented by statutory funded schemes.

³ See more details in the ESSPROS manual:

http://circa.europa.eu/Public/irc/dsis/essspros/library?l=/4_publications/essspros_manual_1996/ks-ra-07-027-en/EN_1.0_&a=d

⁴ An estimation of the number of people concerned by country and type of ESSPROS pension can be consulted at the [ESSPROS webpage on pension beneficiaries](#).

⁵ The classification is based on the OECD glossary *Private Pensions. OECD CLASSIFICATION AND GLOSSARY* available at: <http://www.oecd.org/dataoecd/0/49/38356329.pdf> and on the 2008 report of the Social Protection Committee: *Privately managed funded pension provision and their contribution to adequate and sustainable pensions*, available at: <http://ec.europa.eu/social/BlobServlet?docId=743&langId=en>.

- **Occupational pensions** are private pensions linked to an employment or professional relationship between the worker and the entity that establishes the pension plan (the plan sponsor). Occupational plans may be established by employers or groups thereof (e.g. industry associations) and labour or professional associations, jointly or separately. The plan may be administered directly by the plan sponsor or by an independent entity (a pension fund or a financial institution acting as pension provider). In the latter case, the plan sponsor may still have oversight responsibilities over the operation of the plan. Both mandatory and voluntary occupational plans are included. The occupational pension schemes can be mandatory for the employer (sectoral or cross-sectoral) or resulting from collective agreements (with membership either mandatory or not).
- **Personal pensions** are private pensions which do not have to be linked to an employment relationship. The pension plans are established and administered directly by a pension fund or a financial institution acting as pension provider without any intervention of employers. Individuals independently purchase and select material aspects of the arrangements. The employer may nonetheless make contributions to personal pension plans. Some personal plans may have restricted membership. Both mandatory and voluntary personal plans are included. Individual contracts with pension funds, life insurance companies or pension savings institutions that deliver annuities are included; this type of individual provision is generally available throughout the EU, in particular in Germany (Riester pensions) and France (PERP). Long term savings not specifically for pension purpose are not included.

2. Disability pensions are periodic payments intended to maintain or support the income of someone below the legal or standard retirement age who suffers from a disability which impairs his or her ability to work or earn beyond a minimum level. **Early retirement benefits in case of reduced ability to work** (periodic payments to older workers who retire before reaching the legal or standard retirement age as a result of reduced ability to work) are also in this category.

3. Survivor's pensions are periodic payments to people whose entitlement derives from their relationship with the deceased person protected by the scheme (widows, widowers, orphans and similar).

4. Early retirement benefits for labour market reasons (unemployment pension) are periodic payments to older workers who retire before reaching the legal or standard retirement age due to unemployment or to job reduction caused by economic measures such as restructuring of an industrial sector or of a business. These payments normally cease when the beneficiary becomes entitled to an old age pension. **These benefits only exists in some Member States and the number of persons concerned are quite limited** (on this respect see above second footnote on ESPROSS).

The **legal retirement age** for old age benefits means the age at which old age benefits become payable, if laid down in legislation or by contract. This age can vary both between and within countries, depending on the sector of activity, occupation, gender and so on.

When no legal retirement age exists, a **standard retirement age** is to be used, which means the retirement age offered by the scheme that paid the pension to the beneficiary.

Benefits which are not considered as a pensions are:

- Full and partial unemployment benefits
- All medical care and care allowances specific to disability or old-age
- Benefits provided to replace in whole or in part earnings during temporary incapacity to work due to sickness or injury
- Family allowances
- Long term savings and life insurance contracts not specifically for pension purpose.

Full unemployment benefits are benefits compensating for loss of earnings where the person is capable of working and available for work but is unable to find a suitable employment, including persons who had not previously been employed.

Partial unemployment benefits are benefits compensating for loss of wage or salary due to formal short time working arrangements or intermittent work schedules, irrespective of their cause (business recession, slow-down, breakdown of equipment, climatic conditions, accidents, ...) and where the employer/employee relationship continues.

Care allowances are benefits paid to disabled or to old people who need frequent or constant assistance to help them the extra costs of attendance.

Benefits provided to replace in whole or in part earnings during **temporary incapacity to work due to sickness or injury** include, in particular, the paid sick leave. The **paid sick leave** are flat-rate or earnings-related payments intended to compensate the protected person in full or in part for the loss of earnings caused by temporary inability to work due to sickness or injury. These benefits may be paid by autonomous social protection schemes, but they may also be provided by the employer in the form of continued payment of wages and salaries during the period of sickness.

The **family allowances** include benefits that:

- provide financial support to households for bringing up children;
- provide financial assistance to people who support relatives other than children;
- provide social services specifically designed to assist and protect the family, particularly children.

The most common types of benefits under this heading are the income maintenance in the event of childbirth, the birth grant, the parental leave benefits, benefits to meet specific needs of lone parent families or families with handicapped children.

General implementation recommendation

Countries are asked to find the best way to implement the module, and against the different national backgrounds they are encouraged to develop best practices to implement the variables of the ad hoc module in the national context.

Some codes might be irrelevant at national level, or the coding of some variables can (partly) be derived from other answers or already existing national questions - in such cases, countries should adapt the ad hoc module questions accordingly not to confuse or annoy respondents.

For national purposes countries might also add additional categories in order to get more information than needed at European level.

General filter and list of variables

GENERAL FILTER

Everybody aged 50-69 working or having worked after the age of 50.

1. PENSION/COL. 197

Short description

Person receives or does not receive a pension.

Filter

Everybody aged 50 to 69, working (WSTATOR=1, 2) or having worked after the age of 50 (WSTATOR=3, 5 and (YEARPR-YEARBIR)>49)).

PENSION	Person receives a pension	Everybody aged 50-69 and (WSTATOR=1, 2 or (WSTATOR=3, 5 and (YEARPR-YEARBIR)>49))
1	Yes	
2	No	
9	Not applicable (not included in the filter)	
Blank	No answer or does not know	

Purpose

To classify the target population in two groups, one composed of those currently receiving a pension and the other of those not receiving one.

Definition

The respondent will decide by own assessment whether the type of benefit he or she is currently receiving is a pension. Apart from the self-assessment, the only restrictions to be fulfilled are that the payments should be regular, periodic and in cash -apart from salary or wages- including bank transfers, cheques and similar payments, and excluding benefits in kind (e. g. accommodation, assistance in carrying out daily tasks, rehabilitation, home help, reduction in prices, tariffs and fares for old-aged persons).

Public, private, compulsory, voluntary, defined contribution, defined benefit, means-tested and minimum pensions are included.

A pension received in the past as a single one-shot payment is not a pension currently received.

Implementation rule

This variable is closely linked to the next one (PENSTYPE). If the respondent asks for a clarification on the concept of pension, reference should be made to the national pension system and to the definitions applied in PENSTYPE.

Persons not able to answer or asking for clarification should be confronted with the list of the different pensions and benefits available at national level (see the implementation rule section in the next variable, PENSTYPE). If this leads to information indicating that 1 or 2 should be coded, PENSION should be filled in accordingly and the survey will continue. Otherwise,

PENSION is left blank and the respondent will answer the same questions as if he/she was not receiving any pension (PENSION=2).

Persons answering "No" (PENSION=2) should be controlled with an additional question. The respondents should specify whether they are receiving any regular benefit in cash (including bank transfers, cheques and similar payments, and excluding benefits in kind). In case this benefit in cash turns out to be a pension, the answer will be changed to "Yes" (PENSION=1) and variable PENSTYPE should be filled in.

The NSI should establish a list of the different pensions and benefits available at national level and assign them to the relevant code. Examples are the national mappings available in CIRCA⁶. The interviewers' manual should include the list, complemented with definitions, examples of the most important pension benefits and similar terms or synonyms. The NSI should also assess whether the national list should be complemented with foreign pensions.

It is recommended that answers to MAINSTAT and to PENSION are compared. If an answer other than 1 ("Yes") is given to PENSION and the person is likely to be receiving a pension (MAINSTAT=4, in retirement or early retirement) the interviewer should confirm the answers. A similar control could also be based on the answer to LEAVREAS (06, early retirement or 07, normal retirement).

⁶http://circa.europa.eu/Members/irc/dsis/employ/library?l=/ad_hoc_modules/2012/preparation_module/ahm2012_mappingsdoc/EN_1.0_&a=d

2. PENSTYPE/COL. 198-205

Short description

Type of pension(s) the person is currently receiving.

Filter

Everybody receiving a pension (PENSION=1).

PENSTYPE		Type of pension(s)	PENSION=1
PENSTYP1	1: Yes; 0: No	Old-age pension. Statutory scheme.	
PENSTYP2	1: Yes; 0: No	Old-age pension. Occupational scheme	
PENSTYP3	1: Yes; 0: No	Old-age pension. Personal scheme	
PENSTYP4	1: Yes; 0: No	Old-age pension. Scheme unknown	
PENSTYP5	1: Yes; 0: No	Unemployment pension	
PENSTYP6	1: Yes; 0: No	Disability pension	
PENSTYP7	1: Yes; 0: No	Survivor's pension	
PENSTYP8	1: Yes; 0: No	Other pension(s) or type of pension unknown	
	99999999	Not applicable (not included in the filter)	

Purpose: To know, for those having answered yes in the previous question, which type of pension(s) he or she is receiving.

Definition

See details of the definition of pensions in section 3 above.

NOTE: this is an eight-digit variable, where the first digit refers to PENSTYP1, the second to PENSTYP2 etc.

Implementation rule

A person can receive several pensions of a given category, for instance two different "statutory old age pensions" if (s)he has worked successively in the private sector and as a civil servant, or two or more occupational pensions if (s)he has worked in two different firms. The module will not be able to differentiate those cases from the ones receiving only one pension of a given category.

The concepts covered by this variable should be "translated" to the most common terms used in each country. **As stated in PENSION, the NSI should establish a list of the different pensions and benefits available at national level and assign them to the relevant code.** The national mappings currently available can be found in CIRCA⁷. The interviewers' manual should include the list, complemented with definitions, examples of the most important pension benefits and similar terms or synonyms. The NSI should also assess whether the national list should be complemented with foreign pensions.

If the type of pension has changed in the past, e.g. a disability pension has been converted into an old-age pension, the current type (i.e. old-age pension) should be coded.

Before asking the question on the type of pension(s) the person is currently receiving (PENSTYPE), it is advisable to inform the respondents on the existence of several types of pensions. The questions could be preceded by the **following text**: "I shall now read a few

⁷ http://circa.europa.eu/Members/irc/dsis/employ/library?l=/ad_hoc_modules/2012/preparation_module

types of pension to you. Please tell me in each case whether or not you are receiving any of these benefits”.

Respondents should indicate for each of the six basic categories (PENSTYP1-PENSTYP3 and PENSTYP5 to PENSTYP7) whether they are receiving or not a pension of the type included in the category. Categories PENSTYP4 and PENSTYP8 are **residual** categories which should be used only when the respondent knows that the pension is an old-age pension but he/she does not know the type of old-age scheme (PENSTYP4), or the respondent knows that he/she receives a pension, but can not classify it at all (PENSTYP8). Ideally none should have code 1 in PENSTYP4.

Means-tested and minimum pensions and payments to support the income of the interviewee should be coded in the same way as the 'basic' pension the respondent receives.

As this variable is to be seen as multiple choice variable, a code blank for "No answer or does not know" is not foreseen for the individual pension types. The answers of respondents should be coded "Yes" in case of a positive answer and "No" otherwise.

NOTE 1: PENSION and PENSTYPE are strongly linked. Against the national background countries should decide whether they consider it easier for respondents to start the module with PENSTYPE and fill PENSION accordingly, given the answers to PENSTYPE.

NOTE 2: Unemployment pensions are available in few countries only. For those countries where unemployment pensions are not a relevant option, PENSTYP5 should not be included in the national questionnaire.

3. EARLYRET/COL. 206

Short description

Incidence of early retirement.

Filter

Everybody receiving old-age pension (PENSTYP1=1 or PENSTYP2=1 or PENSTYP3=1 or PENSTYP4=1).

EARLYRET	Early retirement	PENSTYP1=1 or PENSTYP2=1 or PENSTYP3=1 or PENSTYP4=1
1	Yes	
2	No	
9	Not applicable (not included in the filter)	
Blank	No answer or does not know	

Purpose: This variable aims at knowing whether old-age pensioners retired via an early retirement path.

Definition

EARLYRET should give the size of the population which profited from early retirement measures. Early retirement as understood here covers in principle all measures which are covered under "early retirement" by the policy side. To be concrete, early retirement includes:

- **Anticipated old age pensions:** periodic payments intended to maintain the income of beneficiaries who retire before the legal/standard age as established in the relevant scheme. This may occur with or without a reduction of the normal pension.
- **Disability pensions:** periodic payments intended to maintain or support the income of someone below the legal/standard retirement age as established in the reference scheme who suffers from a disability which impairs his or her ability to work or earn beyond a minimum level laid down by legislation.
- **Early retirement pensions in case of reduced ability to work:** periodic payments to older workers who retire before reaching the legal/standard retirement age as established in the reference scheme as a result of reduced ability to work. These payments normally cease when the beneficiary becomes entitled to an old age pension.
- **Early retirement pensions for labour market reasons:** periodic payments to older workers who retire before reaching the legal/standard retirement age due to unemployment or to job reduction caused by economic measures such as the restructuring of an industrial sector or of a business. These payments normally cease when the beneficiary becomes entitled to an old age pension.
- **Early retirement pensions due to seniority (long career or long contribution period):** periodic payments to older workers who retire before reaching the legal/standard retirement age as established in the reference scheme, due to complete length of contribution or insurance period.

- **Early pensions due to family reasons:** periodic payments to workers who retire before reaching the legal/standard retirement age as established in the reference scheme as compensation for parenthood or for family care duties.

But for instance also the parts of the following measures which are/were **explicitly defined as early retirement measures** in a move to full retirement in a given country:

- **Full unemployment benefits:** benefits compensating for loss of earnings where a person is capable of working and available for work but is unable to find suitable employment, including persons who had not previously been employed.
- **Partial retirement pension:** periodic payment of a portion of the full retirement pension to older workers **who continue to work** but reduce their working hours or whose income from a professional activity is below a set ceiling. The partial pension is converted into a full pension (old age pension) when the beneficiary retires completely.

Implementation rule

Early retirement has to be seen in relation to the standard situation for a given sex, occupational group etc. Persons with previous professions with low retirement ages, e.g. army, policemen, miners, must not systematically be coded "Yes", but only if they were affected by further early retirement measures going beyond the normal rules for their profession.

Workers in hazardous or arduous working conditions who retire before reaching the legal/standard retirement age as established in the reference scheme due to health problems should answer code 1.

The NSI should establish a list of the different early retirement measures. The interviewers' manual should include the list, complemented with definitions, examples, usual terms and synonyms.

4. AGEPENS/COL. 207-208

Short description

Age at which a person first received an old-age pension.

Filter

Everybody receiving an old-age pension (PENSTYP1=1 or PENSTYP2=1 or PENSTYP3=1 or PENSTYP4=1)

AGEPENS	Age at which person first received an old-age pension	PENSTYP1=1 or PENSTYP2=1 or PENSTYP3=1 or PENSTYP4=1
99	2 digits Not applicable (not included in the filter)	
Blank	No answer or does not know	

Purpose: This variable aims at knowing at which age the person started to receive the first old-age pension.

Definition

Age at which the person started to receive the first old-age pension.

Implementation rule

If the person is receiving two or more old-age pensions, the age at which the person started receiving the first one should be coded.

Countries might prefer to ask for the year the first old-age pension was received. For the transmission to Eurostat, this should however be recoded into AGEPENS.

5. REASNOT/COL. 209

Short description

Main reason for not staying longer at work at the moment of leaving the labour market/last job.

Filter

Every inactive (simplified ILO status: WSTATOR=3, 5 and SEEKWORK=3) receiving a pension (PENSION=1).

REASNOT	Main reason for not staying longer at work	WSTATOR=3, 5 and SEEKWORK=3 and PENSION=1
1	Favourable financial arrangements to leave	
2	Lost job and/or could not find a job	
3	Had reached the maximum retirement age	
4	Had reached eligibility for a pension	
5	Other job-related reasons	
6	Own health or disability	
7	Family or care-related reasons	
8	Other	
9	Not applicable (not included in the filter)	
Blank	No answer or does not know	

Purpose: This variable aims at identifying the main factor that has caused the person to leave the labour market.

Definition

The variable addresses the situation at the moment of leaving the labour market/last job.

Code 1: Favourable financial arrangements to leave: this code includes all cases where financial considerations led the respondent to stop working / go to retirement, as well as cases where the decision was based on the fear that if retirement was postponed it would result in a lower pension due to pension reforms. The code covers in particular bonuses from employers and golden handshakes.

Code 2: Person lost the previous job and/or did not find a new job.

Code 3: This code applies only in case the person had reached the maximum legal/standard retirement age. The **maximum legal retirement age** means the age at which the employee is forced by law to leave his current job. When no legal retirement age exists, a **maximum standard retirement age** is to be used which means the age at which the retirement has to take place according to a contract or other agreement. This can for instance be defined by collective agreements between trade unions and employers. In either case, the relevant age can vary both between countries and within Member States, depending on the sector of activity, occupation, gender and so on.

Code 4: Had reached eligibility for a pension covers answers like: "I retired because I reached the age at which I could start receiving the pension".

Code 5: Other job-related reasons not included above like inconvenient working hours, tasks, health and safety at the job place, job stress, job too demanding, and skills not adequate or not valued, employer's attitude.

- Code 6: Person retired because of own health problems or disability.
- Code 7: Family or care related reasons like care responsibilities (person had to care for children or dependant persons); passing away of a close relative; business handover
...
- Code 8: Other reasons: it is a residual code which should be used only when none of the previous codes fits.

Implementation rule

If it is not possible for the respondent to choose a “main reason”, the first code that applies in the order of the list should be used. The first codes refer rather to “job-related reasons” and the following codes rather to “personal or family” reasons.

Early retirement is not per se a reason for not staying longer at work. If somebody provides such answer the interviewer should request why the person retired before the legal/standard retirement age: good financial arrangements (code=1), had reached eligibility for a pension (code=4), "forced" by employer (code=5), own health problems (code=6) ...

Especially in case of computer-assisted interviews (CAPI, CATI) it is recommended that answers to LEAVREAS and to REASNOT are compared to check for possible inconsistencies.

6. WORKLONG/COL. 210

Short description

Wish to stay longer at work (be it in the last or any other job) at the moment of leaving the labour market/last job.

Filter

Every inactive (simplified ILO status: WSTATOR=3, 5 and SEEKWORK=3) receiving a pension (PENSION=1).

WORKLONG	Wish to stay longer at work	WSTATOR=3, 5 and SEEKWORK=3 and PENSION=1
1	Yes	
2	No	
9	Not applicable (not included in the filter)	
Blank	No answer or does not know	

Purpose: This variable aims at establishing whether the person would have preferred to stay longer at work.

Definition

The question should be answered based on the wish of the respondent at the moment of leaving the work.

Implementation rule

For respondents who say that it was not possible for them to stay longer at work (due to legal restrictions or employer's decisions), it should be explained that the question refers to their preference in case the circumstances which prevented them from working longer had not been given.

Persons answering something such as "I would have liked to continue working but only if I had had a possibility to change to another workplace (or to another job at the latest workplace)" should be coded "Yes". The previous variable (REASNOT) gives the reason for not staying longer.

7. REDUCHRS/COL. 211

Short description

Person reduced working hours in a move towards full retirement.

Filter

Employed (ILO status: WSTATOR=1, 2) aged 55-69 or
Inactive (simplified ILO status: WSTATOR=3, 5 and SEEKWORK=3) receiving a pension (PENSION=1).

REDUCHRS	Person reduced working hours in a move towards full retirement	(WSTATOR=1, 2 and aged 55-69) or (WSTATOR=3, 5 and SEEKWORK= 3 and PENSION=1)
1	Yes, before receiving the first old-age pension	
2	Yes, since or after receiving the first old-age pension	
3	No	
9	Not applicable (not included in the filter)	
Blank	No answer or does not know	

Purpose: This variable aims at knowing whether the person, voluntary or involuntary, reduced working hours in a move towards full retirement and, in case of receiving old age pension, when this happened.

Definition

For the inactive the reference period is in the past, before leaving the last job. For the employed the reference period is the present.

Implementation rule

This variable is addressed to all employed aged 55-69, irrespective of their answer to the variable PENSION, and to the inactive receiving a pension (PENSION=1).

For people not receiving an old-age pension, code 2 is not valid and the meaning of code 1 is simply "Yes".

"Yes" should be the answer when a reduction of working hours happened, **no matter whether it was within an official progressive scheme or just a private agreement between the employee and the employer.** The same applies when the worker reduced the number of extra hours (overtime), even if there was no private agreement between the employee and the employer.

A person working full time who changed to part-time work should be coded "Yes" if the reason for the change was a move towards retirement.

A person working part-time should be coded "No" if the number of hours was not further reduced in a move towards retirement.

The appropriate code for a person who leaves a job when reached eligibility for a pension and started a new part-time job is 2.

Self-employed who reduced their working hours in a move towards retirement should be coded "Yes".

In case a person reduced the working hours before receiving the first old-age pension and again since or after receiving it, code 1 "Yes, before receiving the first old-age pension" should be coded provided that the reason for the first reduction was the move towards full retirement.

"No" also covers answers like "It is not possible for me to reduce the number of hours".

An employed person who has asked for a reduction of the working time but who has not yet reduced their hours should answer "No".

Employees forced to reduce the working hours to continue at work should be coded 3 ("No") when the reduction is not a move towards full retirement.

It is recommended to implement this variable with two questions. The first one would ask whether the person reduced the working hours in a move towards retirement. The second one would require whether the reduction was before or after receiving the first old-age pension; the second question would be asked only if the person receives an old-age pension and answered yes to the previous question.

8. STAYWORK/COL. 212

Short description

Main reason for staying at work.

Filter

Employed (ILO status: WSTATOR=1, 2) receiving a pension (PENSION=1)

STAYWORK	Main reason for staying at work	WSTATOR=1, 2 and PENSION=1
1	To establish or increase future retirement pension entitlements	
2	To provide sufficient personal/household income	
3	Combination of 1 and 2	
4	Non-financial reasons, e.g. work satisfaction	
9	Not applicable (not included in the filter)	
Blank	No answer or does not know	

Purpose: This variable aims at identifying the main factor that makes the person stay at work.

Definition

Code 3 should be used when the respondent gives the same importance to the current income (code 2) and the future income (code 1).

Code 4: Non-financial reasons include for instance work satisfaction ("I like working"), flexible working arrangements, good opportunities to update (labour) skills, healthy and safe workplace, appreciation at work, social contacts. This contains answers like "I do not want to stay at home", "If I did not work I would not know how to use my time", "My children have already left home", "My partner is still working", "I can't find a successor for my business".

NOTE: code 4 is quite general and covers a variety of reasons which are difficult to split into separate codes as they would likely be answered differently against the national and cultural background.

Implementation rule

A 'retired' person who occasionally worked during the reference week should refer to the reason for being at work during that particular week.

As this question might affect relatively young persons – for instance those receiving a survivor's pension - who are a long way from thinking about retirement or stopping work, it would be helpful for the interview to introduce the question. The following sentence: "You are receiving a pension and are still working..." could be an example.

9. PLANSTOP/COL. 213

Short description

Plans to stop work in the future.

Filter

Employed (ILO status: WSTATOR=1, 2) receiving a pension (PENSION=1)

PLANSTOP	Plans to stop work	WSTATOR=1, 2 and PENSION=1
1	In up to 1 year	
2	In more than 1 year up to 3 years	
3	In more than 3 years up to 5 years	
4	In more than 5 years up to 10 years	
5	More than 10 years	
9	Not applicable (not included in the filter)	
Blank	No answer or does not know	

Purpose: It is a forward-looking variable on the planned time span for stopping all work for pay or profit.

Definition

PLANSTOP asks for the planned time span for stopping all work for pay or profit with the intention of not returning to the labour force.

Implementation rule

Persons answering something like "I will (have to) work forever" should be coded 5 (More than 10 years)

Responses like "there is no planned age" or "not yet decided" should be coded blank.

10. BUILDPEN/COL. 214-217

Short description

Pension rights the person has acquired so far.

Filter

Everybody aged 50-69, working or having worked after the age of 50, not receiving an old-age pension (PENSION=2, blank or (PENSTYP1 to PENSTYP4=0))

BUILDPEN		Pension rights built up so far	PENSION=2, blank or (PENSTYP1 to PENSTYP4=0)
BUILDPEN1	1: Yes; 0: No	Old-age pension. Statutory scheme.	
BUILDPEN2	1: Yes; 0: No	Old-age pension. Occupational scheme	
BUILDPEN3	1: Yes; 0: No	Old-age pension. Personal scheme	
BUILDPEN4	1: Yes; 0: No 9999	Old-age pension. Scheme unknown Not applicable (not included in the filter)	

Purpose: To get information on the pension rights the person has built up so far. The concept to be captured is whether the person is now acquiring pension rights or has acquired some in the past (of one or more of the types indicated in the variable). If so, an affirmative answer should be given even if the respondent has not yet the right to receive the pension.

Definition

See details of the definition of pensions in section 3 above.

Answer "Yes" should be coded when the respondent is now contributing to a pension(s) scheme(s), even if the numbers of years, the age or other conditions to receive the pension are not yet fulfilled.

A person who contributed in the past but not now and who will have the right in the future to receive a pension (e.g. because he/she reaches the pensionable age) should also answer "Yes".

Pensions received in the past as a single one-shot payment are not a current pension right, they should be coded as "No".

NOTE: this is a four-digit variable, where the first digit refers to BUILDPEN1, the second to BUILDPEN2, the third to BUILDPEN3 and the fourth to BUILDPEN4.

Implementation rule

The vast majority of employees are, in all or nearly all countries, contributing by law to the statutory scheme, therefore an affirmative answer to BUILDPEN1 is expected in such cases.

An affirmative answer in BUILDPEN, probably in BUILDPEN3, can be given when a person buys an annuity with a lump-sum payment.

As in PENSTYPE, category BUILDPEN4 is a **residual** category which should be used only when the respondent knows that he/she builds up old-age pension rights, but the detailed scheme is unknown. Ideally none should have code 1 in BUILDPEN4.

As this variable is as PENSTYPE to be seen as multiple choice variable, a code blank for "No answer or does not know" is not foreseen for the individual pension types. The answers of

respondents should be coded "Yes" in case of a positive answer and "No" otherwise. Code 0 in BUILPEN1 to BUILPEN4 means "No answer or does not know".

11. CONTWORK/COL. 218

Short description

Expectations to continue working/looking for a job after receiving old-age pension.

Filter

Active (simplified ILO status: WSTATOR=1, 2 or (WSTATOR=3, 5 and SEEKWORK=1, 2, 4), building up or having built up old-age pension rights (BUILDPEN≠0000, 9999) not receiving a pension (PENSION=2, blank)

CONTWORK	Expects to continue working/looking for a job after receiving old-age pension	(WSTATOR=1, 2 or (WSTATOR=3, 5 and SEEKWORK=1, 2, 4)) and BUILDPEN≠0000, 9999 and PENSION=2, blank
1	Yes, for financial reasons	
2	Yes, for other reasons	
3	No, stop immediately when receiving old-age pension	
4	No, stop before receiving old-age pension	
9	Not applicable (not included in the filter)	
Blank	No answer or does not know	

Purpose: It is a forward-looking variable on whether the respondents building up old-age pension rights expect to continue staying in the labour market, either working or looking for a job, once receiving a pension.

Definition

CONTWORK asks for the current expectation. In case he/she expects to continue working or looking for a job, the reason (financial or non-financial) is requested.

Code 2, yes for other reasons, is equivalent to code 4 of STAYWORK, covering a large variety of non-financial reasons.

Implementation rule

Countries should think of best ways to approach the different groups to which this variable is addressed. This might require a split into several questions.

Scheme of the 2012 module according to the draft final list of variables

Everybody aged 50-69					
Currently working or having worked after the age of 50					
1. PENSION: Person receives a pension?					
NO, No answer or does not know			YES		
			2. PENSTYPE: Type of pension(s)		
			3. EARLYRET: Early retirement (only if receiving old-age pension)		
			4. AGEPENS: Age at first receipt of old-age pension (only if receiving old age pension)		
employed	unemployed	inactive	employed	unemployed	inactive
					5. REASNOT Main reason for not staying longer at work
					6. WORKLONG Wish to stay longer at work
7 REDUCHRS Voluntary reduction of working hours in a move towards full retirement (only if aged 55-69)			7 REDUCHRS Voluntary reduction of working hours in a move towards full retirement (only if aged 55-69)		7 REDUCHRS Voluntary reduction of working hours in a move towards full retirement
			8 STAYWORK Main reason for staying at work		
			9 PLANSTOP Plans to stop work		
10 BUILDPEN Pension rights built up so far			10 BUILDPEN Pension rights built up so far (only if not receiving old-age pension)		
11 CONTWORK Expects to continue working / looking for a job after receiving old-age pension (only if building up or having built up old-age pension rights)					