

### SENIOR CITIZENS WORKING IN EUROPEAN COMPANIES

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Observatory of Demography and Generational Diversity





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## SENIOR CITIZENS WORKING IN EUROPEAN COMPANIES

Observatory of Demography and Generational Diversity

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When we prepared the report on *Senior Citizens Working in Spanish Companies* (Madrid 2018), some data was included to compare our situation with that of other European countries. The comparison of the active and employed population aged 55 and over in Spain yielded unfavorable balances in relation to other EU territories, especially with the countries of the north and some of the central-west. This led us to propose a second report on *Senior Citizens Working in European Companies* whose objective is to find out what is being done in other countries with respect to this segment of the working population.

To quantify and characterize the senior citizen population, we used the same threshold as in the first report, that is, those aged 55 or over. Then we made a selection of countries that were representative of the various territories into which the space of the 28 countries (at that point in time)1 was sub-divided and which, in addition, due to the number of inhabitants, accounted for a substantial part of the total population and therefore of the proportion devoted to the production of goods and services. In this way we chose Finland and Sweden among the Nordics; Poland among those in the east; Germany, France, the Netherlands and the United Kingdom among those in the central-west; and Spain and Italy among those in the south. These nine countries represent 80% of the total population of the EU. For each of these countries, we intended to address a topic with three major components. The first is a sociodemographic analysis of the population of working senior citizens. As noted in the introduction to this section, we conducted a study with quite a lot of detail on different issues related to the activity, occupation and unemployment of these people, giving rise to abundant statistical and graphical information. In short, it is about knowing how many and who these workers are in each of the territories analyzed. This part was carried out by Rafael Puyol, based on the wealth of statistics provided by Eurostat and with reference to the period 2008-2017, that is, from the beginning of the recent economic crisis until the last year for which information was available when we undertook the study. In order to contextualize the analysis of this segment of the working population, we defined the general demographic framework through a brief consideration of three essential variables: fertility, immigration and aging.

<sup>&</sup>lt;sup>1</sup> The original publication of this document in Spanish was carried out before the United Kingdom officially left the European Union at the end of January 2020.

The second component aims to publicize the current labor legislation in each country concerning workers aged 55 or over. This content was prepared by the Spanish labor law firm Sagardoy Abogados, under the leadership of Íñigo Sagardoy. To do this, they prepared a questionnaire with 13 questions which were answered by various lawyers from collaborating firms in the countries included in the sample (including the Sagardoy law firm for Spain). The results provide an extraordinary wealth of useful information which allows us to understand the legal mechanisms that favor or hinder seniors' work activity and the good legal practices which some countries have so that these people can prolong their working life.

The third component contains examples of good business practices in the various countries analyzed. Seniors have a greater presence in the labor market in some territories and a much smaller one in others. Certainly in recent years that presence has grown everywhere, but some countries still have relatively low numbers. And these are bound to grow because the evolution of demographics and the working population will require it. Therefore, we have found it of great interest to incorporate these examples of companies in each country which have established good practices for their older workers. As in the first report, this part (the third component) was prepared by People Matters and more specifically by Alfonso Jiménez, Beatriz Ardid, Elena Orden and Cristina Morillo-Velarde. There are 19 examples in total: three new ones for Spain and two for each of the remaining eight countries.

People Matters has been researching trends in the labor market and in the field of corporate diversity and well-being for more than 10 years. And during all this time it has been warning of the challenge of aging and insisting on the importance of effective and early management of the workforce. Their contribution to this report is based on an exhaustive process of investigating the practices regarding older people implemented by European companies, regardless of their size and sector of activity. Once these practices were identified, the authors searched for information in various documentary sources in order to analyze and describe the different initiatives in depth. The study considered more than the 19 practices that were ultimately selected, eliminating many as they were still in the design phase and had not been implemented effectively.

The final objective of this component is for the Spanish companies to have references on which to define strategies for managing their senior citizen workers (hereinafter "older workers"); examples of companies in Spain, but especially of cases from a significant sample of the European countries studied.

These three components have been separated into two large sections. In the first, sociodemographic data with its arsenal of tables and charts and corresponding comments are presented. The second is a study of each country containing three pieces of information: a brief presentation of sociodemographic information, legislation concerning older workers and examples of good practices.

The final part of the study contains the conclusions of the three major components carried out by each research team and a final reflection that serves as the culmination of the study.

It seems that in recent times, the topic of aging is gaining greater prominence, in accordance with its objective importance. Unfortunately, negative views which define it above all as a problem continue to dominate. We wish to insist on considering the phenomenon as an opportunity. Seniors, the elderly or whatever we wish to call them, are a decisive demographic dividend for a labor market which is going to be deeply under-supplied by the base and they make up an increasingly important segment in the sphere of consumption (the *silver economy*). The role as consumers is clear and its importance is demonstrable with objective data. In the field of work, there is a long way to go, especially in some countries, including, without any doubt, Spain. There are still too many prejudices, myths and unfounded notions that give rise to unjustifiable ageism. Hopefully, this report can help correct these views and highlight the decisive role that older workers are going to play within European and Spanish companies.

#### **INTRODUCTION**

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### SOCIODEMOGRAPHIC STUDY

#### INTRODUCTION

The sociodemographic study is divided into two parts. In the first, a presentation of the main variables of the countries selected is made. The intention is to introduce the population context which facilitates a better understanding of some of the characteristics and conditions of the senior labor market. From this perspective, the main issues addressed are fertility, birth, immigration and aging. None of the countries has a sufficient fertility rate for generational renewal, although the situation varies across the countries analyzed. Widespread immigration cushions the effects of reduced or negative natural growth. And an aging population affects all countries, although to a different extent.

These variables are highlighted, not only because they are the basic components of the demographic evolution of each territory, but also because of their direct influence on the labor market, in different societies in general and for older workers in particular. The low birth rate reduces the base of the labor pyramid. Immigration feeds the population size in the last stages of activity and increases the number of people who retire each year. The main conclusion resulting from this evolution is fairly clear: if the young workforce is declining and will continue to do so, the work of seniors will become increasingly necessary.

The second part of the sociodemographic analysis is aimed at studying this segment of the active and employed population. For this we have used data from the annual Eurostat series concerning the labor market. We selected the following information from the extensive Eurostat data: that which refers to activity and employment and information from a specific study, from 2012, on the transition from work to retirement. For the first two questions, the 2008-2017 period was selected: the first year because it reflects the situation when the economic crisis erupted and the second because it was the most recent year available when we started exploring data. The statistics corresponding to 2018 were recently released, which are used to quantify some variables. In certain cases, we have analyzed the variations that occur over the years in the period addressed. In others, a comparison is made between the first and last years to see what changes have occurred.

Using age 55 as the starting threshold for the senior population has necessitated grouping together the age groups established by Eurostat in order to offer information on the segment aged 55 and over as a whole. This has involved handling an enormous amount of information to obtain the absolute values and relative figures for the issues addressed.

The study of activity provides general information by gender; the participation of the senior workforce in the workforce as a whole and activity rates by age group from age 55 years onwards.

The employment analysis includes further questions. Its evolution; the participation of seniors in the total employed population; employment rates

by age group; the analysis of unemployment and self-employment; full or part time; the population employed by economic sector and branch; the population employed by types of occupation; the population employed on a temporary basis; employees by educational level and a specific analysis of the duration of working life. In practically all the questions, the presentation has been based on the overall senior population and for each gender.

The transition from working life to retirement includes issues such as the age of receipt of the first retirement pension, early retirement, the reduction of the working day, pensioners who would have liked to continue working and their main reasons for this, and the reasons for ceasing work expressed by retirees. Statistical exploitation has given rise to two types of material: approximately 50 tables, all of them prepared by the authors from Eurostat figures, and the same number of charts with various types of data extracted from the tables. These materials are complementary. The tables provide numeric precision and the charts allow visual comparisons to be made.

In the study of the aforementioned issues, we have always looked for coincidences. Logically the differences are sometimes so noticeable that we could not avoid seeing them and pointing them out. We progressed in the consideration of each aspect of the study as follows: first by means of an individual study of its evolution and current situation; then by means of a synthesis, contained in the conclusions section, which attempts to escape from the tangle of figures, and to provide a qualitative synthesis of the most relevant themes of the work of seniors in the various territories. The synthesis also includes a presentation of the four major models which may be differentiated in the field studied: Nordic (Sweden, Finland), Eastern Europe (Poland), Mediterranean (Spain and Italy) and Central and Western Europe (Germany, France, the Netherlands and the UK).

The information managed, processed and mapped also made it possible to carry out an individualized study of each of the nine countries selected. This "case study" opens the analysis in the second part of the report, devoted to the presentation of labor legislation relating to the activity of seniors and to examples of good business practices from each country.

# I.1 THE MAIN DEMOGRAPHIC VARIABLES IN THE COUNTRIES SELECTED: FERTILITY, IMMIGRATION, AGING

To frame the analysis of the senior population in the companies of the nine countries selected in the European Union, we will begin by presenting the main sociodemographic features of these member states.

Altogether, 394 million people were included in 2018 (Table

), which represents almost 77% of the total population of the EU (512.3 million). They are, therefore, fairly representative of the whole (and indeed of characteristics of the population at large). Not surprisingly, included in the selection are the major countries (Germany, France, Italy, UK), some medium-sized ones (Spain, Poland) and several of the smaller ones (the Netherlands, Finland and Sweden).

COUNTRY	POPULATION	%
Finland	5,513,130	1.07
Sweden	10,120,242	1.97
Poland	37,976,687	7.41
Germany	82,792,351	16.16
France	66,926,166	13.06
Netherlands	17,181,084	3.35
UK	66,273,576	12.93
Spain	46,658,447	9.11
Italy	60,483,973	11.80
TOTAL	393,925,656	76.86

TABLE I.1 Population of the countries selected (2018). Source: Eurostat

All the countries in the EU are characterized by having, with different intensities, low fertility and birth rates, a positive migratory balance (the exception being Poland) and an aging population.

None of the countries is capable of renewing generations, that is, they all have fertility rates below 2.1 children per woman (Table I.2).

### COUNTRY FERTILITY INDICES (2017)

Finland	1.49
Sweden	1.78
Poland	1.48
Germany	1.57
France	1.90
Netherlands	1.62
UK	1.74
Spain	1.31
Italy	1.32
EU	1.59

TABLE I.2 FERTILITY INDICES (2017). Source: Eurostat

Three of the best-situated countries in the group of countries selected are: France, Sweden and the UK. All three, but especially Sweden and France, maintain family support policies which allow them to approach the replacement level and thus have better numbers of young people and young adults. There is a notable contrast between Sweden and Finland in Northern Europe and the countries with lower figures such as the two Mediterranean countries (Spain and Italy) and Poland in the East. All have values below 1.5 children per woman and are below the so-called "lowest low fertility" from which it is not easy to recover. In all the territories of the EU, but especially in those with lower fertility rates, there are two contributory factors: one is the reduction in the number of women of childbearing age from previous stages of low natality and the other is the high average age of maternity (Table I.3) which ends up causing a reduction in family size.

COUNTRY	AVERAGE AGE AT BIRTH OF FIRST CHILD
Finland	30.9
Sweden	31.1
Poland	29.5
Germany	31.0
France	30.6
Netherlands	31.4
UK	30.5
Spain	32.1

#### COUNTRY AVERAGE AGE AT BIRTH OF FIRST CHILD

Italy	31.9
EU	30.7

TABLE 1.3 Average age at birth of first child Source: Eurostat

In virtually all countries it is above 30 years old, with Spain holding the record of 32.1.

The combination of low fertility levels, fewer women of reproductive age and having children so late leads to a drop in the number of births and in some countries a negative balance in relation to the number of deaths (Table I.4).

COUNTRY	BIRTHS	DEATHS	NATURAL GROWTH
Finland	50,321	53,722	-3,401
Sweden	115,416	91,972	23,444
Poland	401,982	402,852	-870
Germany	784,901	932,272	-147,371
France	770,045	606,410	163,635
Netherlands	169,836	150,214	19,622
UK	754,754	605,748	149,006
Spain	391,265	422,037	-30,772
Italy	458,151	649,061	-190,010
EU	5,074,875	5,265,746	-190,871

TABLE I.4 Natural growth situation (2017). Source: Eurostat

This is the situation in five of the countries selected, with especially negative figures in Germany and Italy. The other side of the coin is offered by France, the UK and Sweden, which have better birth rates owing to their policies.

The increase in mortality figures which is apparent everywhere is due to the aging process, which has two main causes: the reduction in the number of births and increasing longevity. The good news about mortality is the growth in life expectancy at birth for both genders (Table I.5). The rate for males is in the range of 79-80 and that of women is over 80, with Spain holding the record of 86.

COUNTRY	MEN	WOMEN
Finland	78.9	84.5
Sweden	80.8	84.1
Poland	73.9	81.8
Germany	78.7	83.4
France	79.6	85.6
Netherlands	80.2	83.4
UK	79.5	83.1
Spain	80.6	86.1
Italy	80.8	85.2
EU	78.3	83.5

TABLE 1.5 Average life expectancy at birth (2017). Source: Eurostat

Another of the basic features of all European populations is aging. I do not intend here to refine the analysis with indicators that use moving thresholds, because this study has other objectives. For this reason, I will use the population aged 65 and over and over 80 as measures of the phenomenon, and to contrast these figures, I will provide the percentage values of young people (under 15 years of age). This is a "classic" way of approaching the subject, but sufficient for our purpose (Table I.6).

COUNTRY	65 AND OVER	80 AND OVER	LESS THAN 15
Finland	21.4	5.3	16.2
Sweden	19.8	5.1	17.7
Poland	17.1	4.3	15.2
Germany	21.4	6.2	13.5
France	19.7	6.0	18.1
Netherlands	18.9	4.5	16.1
UK	18.2	4.9	17.9
Spain	19.2	6.2	15.0
Italy	22.6	7.0	13.4
EU	19.7	5.6	15.6

TABLE I.6 Population structure (2018). Source: Eurostat

All countries have aged, but with different intensities depending on the previous evolution of the birth rate and growth in life expectancy. Germany and Italy have the highest values and Poland clearly the lowest. And the same is true of the population aged 80 and over, which is growing at an especially intense rate. On the one hand, the young population clearly correlates with the birth rate. Countries with higher rates have higher percentages of young people and vice versa. [Thus, a low birth rate and high aging will become determining factors in the future structure of the European labor market].

The third major factor in European demographic evolution is migration, or more specifically immigration. All the countries have a positive balance except for Poland (Table I.7).

COUNTRY	IMMIGRATION	EMIGRATION	BALANCE
Finland	31,797	16,973	14,824
Sweden	144,489	45,620	98,869
Poland	209,353	218,492	-9,139
Germany	917,109	560,700	356,409
France	369,964	312,554	57,410
Netherlands	189,646	108,231	81,415
UK	644,209	359,665	284,544
Spain	532,132	368,860	163,272
Italy	343,440	155,110	188,330

TABLE I.7 Migratory balances. Source: Eurostat

The flows have played and continue to play an important role in the European economy and are a factor that modifies some demographic imbalances, correcting negative natural growth and making real growth positive (Table I.8).

This is the case in Germany, Spain and Finland. This effect is not achieved In Italy, and Poland presents the worst situation with negative natural growth and negative net migration. In contrast, France, Sweden and the United Kingdom have a net positive balance. They are therefore in a markedly more advantageous demographic position. What are the consequences of the variables analyzed on the structure of the labor market? They are not difficult to deduce. Past and present low birth rates will reduce the base of the labor pyramid, between perhaps 20 and 50 years old. This will result in a decrease in youth unemployment, which will be especially beneficial in those countries where it is highest (Spain is a good example). At the other end of the pyramid, the accumulation of people of 50 years of age and over will concentrate significant numbers of seniors in the labor force and provide abundant labor

**REAL GROWTH** Finland 11,423 Sweden 122,313 Poland -10,009 209,038 Germany 221,045 France Netherlands 101,037 UK 433,550 Spain 132,500 Italy -2,580

TABLE I.8 Real Growth 2017, Source: Eurostat

**COUNTRY** 

available for employment, which will partially compensate for the shortages of the young population. Immigration will help feed the bottom of the job pyramid, but it will be necessary to reach out to the older population if we do not want the job market to fall apart. Faced with this more-than-probable scenario, there will be no other option than to increase the real and legal retirement ages, because with life expectancies already pointing to 90 or more years, what is the point of a person retiring in their fifties or even in their sixties?

Demographics are not to blame for the labor market situation, but it is one of its essential components given the triple influence exerted by birth, immigration and aging.

Automation and robotization processes will be a relief in the medium to long term for the labor market of the future. They will eliminate many current jobs, but will create new ones for more people and machines. But in the short term, perhaps on a 15-year horizon, it will continue to be necessary to resort to humans to meet the needs of our markets, and these humans will have to come in large measure from seniors, who will be much younger on that horizon, just as they are much younger today than yesterday.

As already stated, not everything in the labor market is attributable to demographics. If the economy does well, work will go well, and if the economic policies involved are adequate, it will go even better. But no economic projections and policies can be properly designed if the baseline demographics are ignored. This is what I have tried to synthesize in the preceding pages and tables, which predict a very similar near future. It does not seem likely that the birth rate will experience any big changes unless the countries with lower rates of family aid adopt policies to correct the situation upwards. Skeptics and, much more so, xenophobes must be told that immigration will continue to be essential in the future. And many, many people must be told that aging not only poses important challenges for the payment of pensions, health and dependency; it is also an opportunity, a dividend for a job market which will need to nurture the talents, experience and knowledge of older people.

### **I.2 ACTIVITY**

The first fact to note is the growth of the number of active people in all countries (Table II.1 and Chart II.1). In absolute terms, the largest increase corresponds to Germany, which is the most populous EU country. The increase is 3.2 million, although in relative figures (Table II.2) it only represents 51%. In percentages, the highest rise is in Italy, with almost 70% and an increase of more than two million older workers.

	FINLAND	SWEDEN	POLAND	GERMANY	FRANCE	NETHERL.	UK	SPAIN	ITALY
2008	488,800	989,600	1,757,500	6,350,500	3,124,600	1,229,000	5,047,200	2,563,300	2,932,200
2009	493,800	1,003,000	1,889,000	6,617,500	3,306,900	1,307,900	5,100,900	2,638,400	3,051,100
2010	503,500	1,016,100	2,079,300	6,764,000	3,487,200	1,338,400	5,250,700	2,706,900	3,172,700
2011	521,900	1,025,900	2,313,900	7,204,100	3,711,900	1,395,800	5,281,600	2,832,500	3,357,300
2012	534,800	1,047,000	2,478,800	7,583,900	4,036,500	1,485,100	5,408,100	2,954,300	3,621,000
2013	533,700	1,046,800	2,638,800	8,064,000	4,172,200	1,557,100	5,613,700	3,016,000	3,860,900
2014	540,900	1,075,500	2,760,600	8,440,800	4,444,500	1,624,800	5,780,300	3,133,900	4,187,100
2015	554,000	1,078,200	2,839,500	8,734,700	4,629,700	1,683,300	5,971,100	3,342,400	4,406,300
2016	560,000	1,088,200	2,874,800	9,209,100	4,760,000	1,729,000	6,187,000	3,530,300	4,659,800
2017	570,200	1,119,100	2,967,200	9,590,600	4,923,100	1,802,800	6,324,900	3,657,600	4,964,400

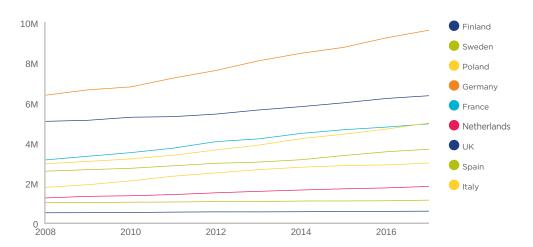


TABLE II.1 and CHART II.1 Evolution of the active population (2008-2017). Source: Eurostat

ABSOLUTE GROWTH	RELATIVE GROWTH
81,400	16.65
129,500	13.08
1,209,700	68.83
3,240,100	51.00
1,798,500	57.55
573,800	46.68
1,277,700	25.31
1,094,300	42.69
2,032,200	69.30
	81,400 129,500 1,209,700 3,240,100 1,798,500 573,800 1,277,700 1,094,300

TABLE II.2 Absolute and relative growth in the active population (2008-2017). Source: Eurostat

Also noteworthy is the relative increase in Poland, close to that of Italy. The most influential factor in this increase is the general aging of the population. Also the progressive recovery from the economic crisis and, therefore, the multiplication of opportunities offered by the labor market. And thirdly, the tendency to retire later, which is influenced by the delay in the legal and actual retirement age.

By gender (Tables II.3 and II.4 and Charts II.2 and II.3), the number of women in the senior workforce is growing faster than that of men, except in Italy and the Netherlands, where the male growth rates are slightly higher. In any case, the overall increase leads to a greater participation of the senior population

	FINLAND	SWEDEN	POLAND	GERMANY	FRANCE	NETHERL.	UK	SPAIN	ITALY
2008	251,900	534,500	1,145,200	3,617,300	1,626,800	767,600	2,942,700	1,644,300	1,940,400
2009	247,600	541,100	1,202,500	3,752,700	1,722,700	803,900	2,978,100	1,633,900	1,995,700
2010	259,200	557,200	1,297,500	3,800,600	1,814,500	818,000	3,007,400	1,651,700	2,062,000
2011	265,600	555,200	1,415,300	4,007,700	1,922,600	832,600	3,010,900	1,672,000	2,169,300
2012	268,600	565,200	1,498,100	4,199,400	2,098,900	889,600	3,072,100	1,712,900	2,274,700
2013	264,900	566,800	1,584,900	4,415,700	2,155,000	940,000	3,161,500	1,726,500	2,404,500
2014	268,600	581,300	1,646,700	4,609,400	2,260,400	981,500	3,226,100	1,780,300	2,573,500
2015	274,300	580,500	1,665,500	4,730,600	2,355,400	1,002,500	3,326,400	1,879,600	2,714,100
2016	278,600	579,200	1,677,700	4,997,500	2,419,000	1,024,700	3,434,600	1,956,400	2,850,900
2017	289,000	597,700	1,731,100	5,195,800	2,472,500	1,059,600	3,466,500	2,040,100	2,978,700

TABLE II.3 Evolution of the active population 55 years-old and over (2008-2017). Men. Source: Eurostat

	FINLAND	SWEDEN	POLAND	GERMANY	FRANCE	NETHERL.	UK	SPAIN	ITALY
2008	236,900	455,100	612,300	2,733,200	1,497,800	461,400	2,104,500	919,000	991,800
2009	246,200	461,900	686,500	2,864,800	1,584,200	504,000	2,122,800	104,500	1,055,400
2010	244,300	458,900	781,800	2,963,400	1,672,700	520,400	2,243,300	1,055,200	1,110,700
2011	256,300	470,700	898,600	3,196,400	1,789,300	563,200	2,270,700	1,160,500	1,188,000
2012	266,200	481,800	980,700	3,384,500	1,937,600	595,500	2,336,000	1,241,400	1,346,300
2013	268,800	480,000	1,053,900	3,648,300	2,017,200	617,100	2,452,200	1,289,500	1,456,400
2014	272,300	494,200	1,113,900	4,025,100	2,814,100	643,300	2,554,200	1,353,600	1,613,600
2015	279,700	497,700	1,174,000	4,004,100	2,274,300	680,800	2,644,700	1,462,800	1,692,200
2016	281,400	509,000	1,197,100	4,211,600	2,341,000	704,300	2,752,400	1,573,900	1,808,900
2017	281,200	521,400	1,236,100	4,394,800	2,450,600	743,200	2,858,400	1,617,500	1,985,700

TABLE II.4 Evolution of the active population 55 years-old and over (2008-2017). Women. Source: Eurostat

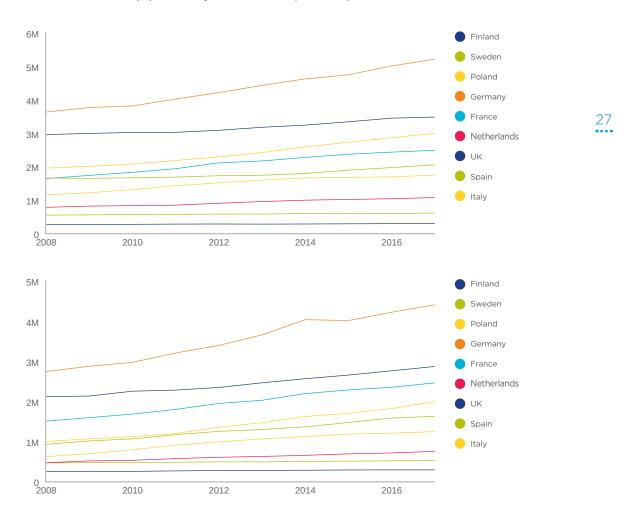


CHART II.2 Evolution of the active population (2008-2017). Men
CHART II.3 Evolution of the active population (2008-2017). Women

in the active population as a whole (Table II.5 and Chart II.4). This fact is of no surprise in countries where the supply at the bottom of the labor pyramid is reduced due to the prolonged drop in the birth rate and the increase in life expectancy, which in turn increases longevity. In short, population aging today is the result of the combination of both factors (aging at the base and aging at the top, it is understood, of the age pyramid).

	FINLAND	SWEDEN	POLAND	GERMANY	FRANCE	NETHERL.	UK	SPAIN	ITALY
2008	18.00	20.23	10.33	15.23	11.20	14.42	16.13	11.11	11.84
2017	21.15	20.35	16.75	20.20	15.28	18.85	17.54	14.19	17.07

TABLE II.5 Participation of the active population aged 55 years and over in the total active population (2008 and 2017). Source: Eurostat

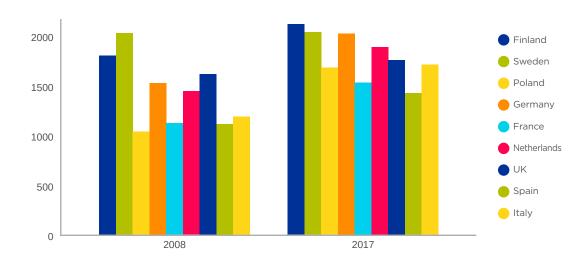


CHART II.4 Percentage of the active population aged 55 and over in the total active population. 2008 and 2017

The other significant fact, resulting from greater female growth in the senior active population, is the reduction of the difference between men and women in this segment (over 55 years). (Tables II.6 and II.7 and Charts II.5 and II.6). In the Nordic countries and France the proportion of men and women is practically 50%. And in the other countries, women are above 40% and progressively approaching half. It should be noted, however, that the lowest figures correspond to the two Mediterranean countries (Spain and Italy) and Poland. The later incorporation of women into the labor market (especially in the Mediterranean countries) means that there is still room for exploiting the demographic dividend for women. But in a few years the difference will disappear and the job market for seniors will be equal.

	FINLAND	SWEDEN	POLAND	GERMANY	FRANCE	NETHERL.	UK	SPAIN	ITALY
Men	51.54	54.01	64.59	56.96	52.06	62.45	58.30	64.14	66.17
Women	48.46	45.99	35.41	43.04	47.94	37.55	41.70	35.86	33.83

TABLE II.6 Percentages of the active population of 55 years and over by gender, 2008. Source: Eurostat

	FINLAND	SWEDEN	POLAND	GERMANY	FRANCE	NETHERL.	UK	SPAIN	ITALY
Men	50.67	53.40	58.34	54.17	50.22	58.77	54.80	57.18	60.00
Women	49.33	46.60	41.66	45.83	49.78	41.23	45.20	42.82	40.00

TABLE II.7 Percentages of the active population aged 55 and over by gender, 2017. Source: Eurostat

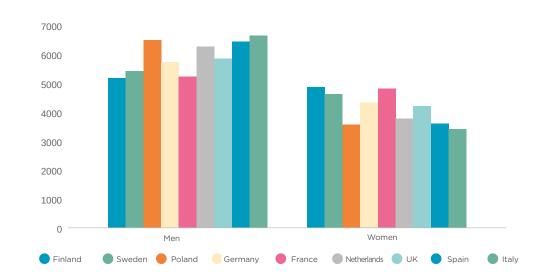


CHART II.5 Percentages of the active population aged 55 and over by gender, 2008



CHART II.6 Percentages of the active population aged 55 and over by gender, 2017

Regarding the distribution of activity by age group (Tables II.8 and II.9 and Charts II.7 and II.8) there are several facts to be highlighted: Firstly, the strong concentration in the 55-59 age group. Secondly, this concentration was growing between 2008 and 2017, the year in which the rate exceeded 80% in some countries (Finland, Sweden, Germany) and 70% in others (France, the Netherlands, the UK and Spain). The lowest figures (below 70%) are those of Italy and Poland. Thirdly, it is also worth noting the growth rate of the 60-64 age group, although the numbers are already significantly lower. And finally, although the values have grown somewhat, the small figures of activity between 65 and 69 and insignificant ones from 70 onwards. Despite the increase in life expectancy at birth or at 65 years, early or very early retirement still has a long way to go in most countries before it is remedied.

	FINLAND	SWEDEN	POLAND	GERMANY	FRANCE	NETHERL.	UK	SPAIN	ITALY	<b>EU TOTAL</b>
55-59	75.00	83.60	42.70	75.50	58.80	71.90	72.80	61.00	49.00	62.20
60-64	42.80	62.60	19.60	38.00	16.80	36.40	46.90	36.30	20.50	31.40
65-69	9.90	17.00	9.40	7.70	3.80	12.00	17.30	6.20	7.70	10.10
70-74	4.20	6.00	4.90	3.70	1.10	5.20	6.90	1.50	3.20	5.00
75 and over	0.00	0.00	1.80	1.10	0.40	1.30	1.60	0.40	0.90	1.20

TABLE II.8 Rates of activity by age group (2008). Source: Eurostat

	FINLAND	SWEDEN	POLAND	GERMANY	FRANCE	NETHERL.	UK	SPAIN	ITALY	EU TOTAL
55-59	82.00	89.00	67.00	83.00	77.00	79.00	77.00	72.00	68.00	62.20
60-64	54.00	72.00	34.00	61.00	31.00	60.00	54.00	45.00	41.00	31.40
65-69	14.00	24.00	11.00	16.00	7.00	15.00	21.00	6.00	11.00	10.10
70-74	7.00	11.00	4.00	7.00	3.00	7.00	11.00	2.00	4.00	5.00
75 and over	0.00	0.00	1.00	2.00	1.00	2.00	3.00	0.00	1.00	1.20

TABLE II.9 Rates of activity by age group (2017). Source: Eurostat

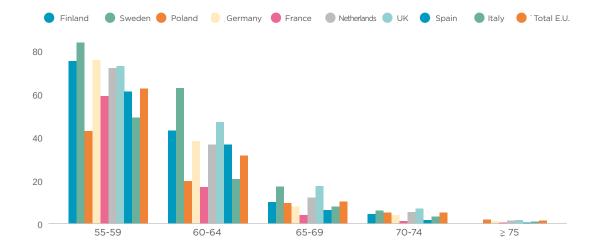


CHART II.7 Rates of activity by age group (2008)

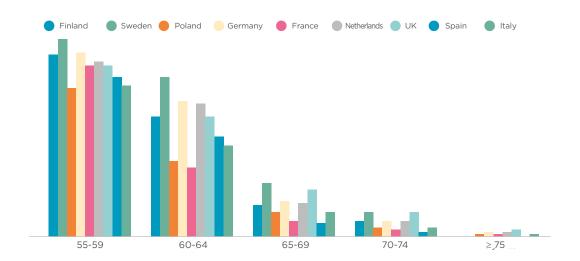


CHART II.8 Rates of activity by age group (2017)

#### **I.3 EMPLOYMENT**

As with activity, employment also grew from 2008 to 2017. All countries experienced increases, though with different intensities (Table III.1 and Chart III.1).

	GERMANY	SPAIN	FRANCE	ITALY	NETHERL.	POLAND	FINLAND	SWEDEN	UK
2008	5,861,200	2,382,400	3,001,700	2,847,000	1,181,200	1,674,000	463,900	954,100	4,896,700
2009	6,135,800	2,334,100	3,131,100	2,956,300	1,262,600	1,783,700	465,000	954,300	4,933,400
2010	6,296,100	2,340,300	3,291,000	3,068,400	1,283,900	1,943,500	482,200	961,800	5,021,600
2011	6,782,900	2,425,000	3,508,800	3,219,700	1,333,100	2,168,200	491,000	976,600	5,041,400
2012	7,180,100	2,446,600	3,798,100	3,445,200	1,410,300	2,309,200	499,800	996,400	5,166,100
2013	7,648,800	2,432,000	3,888,000	3,657,300	1,456,100	2,449,900	499,800	998,400	5,373,700
2014	8,051,000	2,528,800	4,120,700	3,977,600	1,504,800	2,586,300	505,100	1,022,100	5,570,400
2015	8,365,100	2,743,300	4,303,500	4,180,900	1,554,400	2,695,900	514,500	1,025,900	5,786,600
2016	8,887,500	2,950,200	4,433,300	4,412,400	1,612,300	2,757,400	521,900	1,035,600	5,985,500
2017	9,296,700	3,117,900	4,616,000	4,700,700	1,706,900	2,867,300	530,100	1,066,600	6,126,100

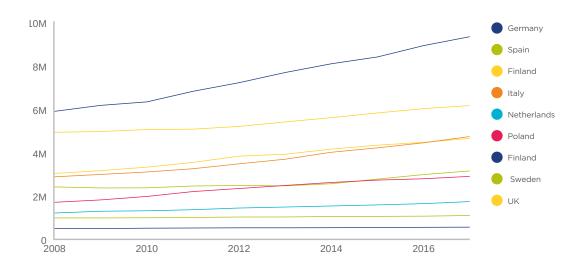


TABLE III.1 Evolution of employment 55 and over (2008-2017)

CHART III.1 Evolution of employment 55 and over (2008-2017)

The highest growth in absolute terms corresponds to Germany and in relative terms to Italy (Table III.2), as was the case with activity. The smallest percentage increases are those of the Nordic countries, which started from the highest activity and employment values.

COUNTRY	ABSOLUTE GROWTH	RELATIVE GROWTH
Finland	66,200	14.27
Sweden	112,300	11.77
Poland	1,193,300	71.28
Germany	3,435,500	58.61
France	1,614,300	53.77
Netherlands	525,700	44.50
UK	1,229,400	25.10
Spain	735,500	30.87
Italy	1,853,700	65.11

TABLE III.2 Employment growth (2008-2017). Source: Eurostat

What is really significant is that due to the factors indicated above that have to do with general aging, overcoming the economic crisis, delaying the retirement age, but also with the improvement of the health conditions of older workers and the multiplication of activities that do not require great physical effort, employment has grown in these nine countries by almost eleven million people. In this context, the relative growth in Spain (31%) is not particularly intense and the difference with respect to Italy is particularly striking. The culture of early withdrawal from work, although it is gradually being corrected, remains a hallmark of the Spanish labor market. We continue to lose too much senior talent to be complacent, but at least we know that there is a latent workforce that can be used when the needs of the labor market demand it.

The number of male and female employees has grown, but progress has been uneven between men and women, a difference already observed in the increase in activity (Tables III.3, III.4 and III.5 and Charts III.2 and III .3).

	FINLAND	SWEDEN	POLAND	GERMANY	FRANCE	NETHERL.	UK	SPAIN	ITALY
2008	238,500	514,300	1,075,900	3,352,800	1,558,800	740,700	2,839,300	1,543,200	1,883,700
2009	231,700	512,200	1,130,800	3,483,700	1,626,400	778,500	2,815,000	1,456,200	1,929,800
2010	241,800	524,400	1,208,900	3,528,600	1,708,400	785,800	2,843,900	1,423,400	1,989,400
2011	247,700	525,000	1,320,400	3,773,600	1,817,400	796,500	2,843,600	1,426,700	2,043,000
2012	249,100	534,800	1,388,000	3,968,900	1,971,000	844,700	2,908,900	1,465,900	2,154,400
2013	245,700	537,800	1,463,500	4,176,700	2,000,100	875,700	3,010,800	1,388,300	2,259,700
2014	249,200	549,800	1,538,200	4,384,100	2,085,500	905,600	3,096,700	1,430,200	2,431,900
2015	252,700	549,600	1,575,200	4,512,800	2,177,700	922,800	3,214,500	1,544,400	2,558,800
2016	258,600	547,700	1,600,000	4,815,400	2,235,400	958,800	3,313,400	1,639,400	2,687,200
2017	267,200	567,300	1,666,500	5,027,200	2,300,200	1,006,200	3,344,900	1,749,100	2,811,000

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	FINLAND	SWEDEN	POLAND	GERMANY	FRANCE	NETHERL.	SPAIN	ITALY	UK
2008	225,400	439,800	598,100	2,508,400	1,442,900	440,500	839,200	963,300	2,057,400
2009	233,300	442,100	652,900	2,652,100	1,504,700	484,100	877,900	1,026,500	2,118,400
2010	240,400	437,400	734,600	2,767,500	1,582,600	498,100	916,900	1,079,000	2,177,700
2011	243,300	450,600	487,800	3,009,300	1,691,400	536,600	998,300	1,176,700	2,197,800
2012	250,700	461,600	921,200	3,211,200	1,827,100	565,600	980,700	1,290,800	2,257,200
2013	254,100	460,600	986,400	3,472,100	1,887,900	580,400	1,043,700	1,290,800	2,362,900
2014	255,900	472,300	1,048,100	3,666,900	2,035,200	599,200	1,098,600	1,545,700	2,473,700
2015	261,800	476,300	1,120,700	3,852,300	2,125,800	631,600	1,198,900	1,622,100	2,572,100
2016	263,300	487,900	1,157,400	4,072,100	2,197,900	653,500	1,310,800	1,725,200	2,672,100
2017	262,900	499,300	1,200,800	4,269,500	2,315,800	700,700	1,368,800	1,889,700	2,781,200

TABLE III.4 Evolution of the population employed aged 55 and over (2008-2017), women. Source: Eurostat

COUNTRY		MEN		WOMEN
	ABSOLUTE GROWTH	RELATIVE GROWTH	ABSOLUTE GROWTH	RELATIVE GROWTH
Finland	28,700	12.03	37,500	16.63
Sweden	53,000	10.3	59,500	13.52
Poland	590,600	54.89	602,700	100.76
Germany	1,674,400	49.94	1,761,100	70.2
France	741,400	47.56	872,900	60.49
Netherlands	265,500	35.84	260,200	59.06
UK	505,600	17.8	723,800	35.18
Spain	205,800	13.33	529,600	63.1
Italy	927,300	49.22	926,400	96.16

TABLE III.5 Growth of employment by gender (2008-2017). Source: Eurostat

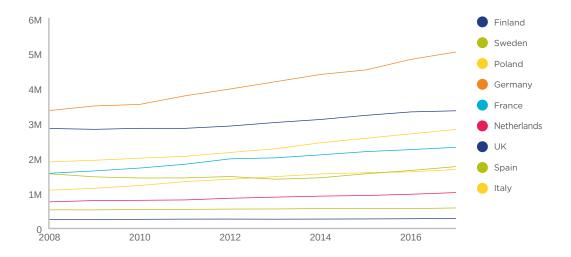


CHART III.2 Evolution of employment 55 and over (2008-2017). Men

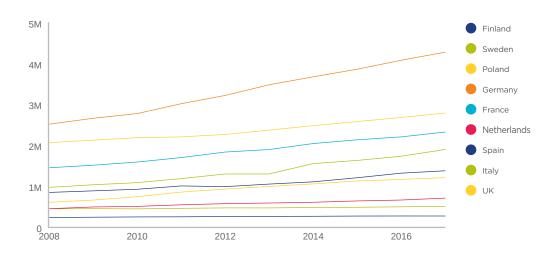


CHART III.3 Evolution of employment 55 and over (2008-2017). Women

In all countries, female employment has increased more than male employment, with sometimes really significant differences. This is the case in Spain and Italy and especially in Poland, where the rate of women is double that of men. In contrast, in the Nordic countries, apart from small increases, the differences are almost negligible.

The increases noted have also led to a greater presence of the senior employed population in the total employed population. In almost all the territories, the percentage of people over 55 years old approaches or exceeds 20% of the total (Table III.6 and Chart III.4) with the highest values in Germany and the Nordic countries.

	FINLAND	SWEDEN	POLAND	GERMANY	FRANCE	NETHERL.	UK	SPAIN	ITALY
2009	18.92	21.21	11.24	15.94	12.19	15.06	16.97	12.21	13.02
2017	21.43	21.24	17.45	22.31	17.17	19.83	19.16	16.56	20.41

TABLE III.6 Ratio of the population employed aged 55 and over to the total population employed (2009 and 2017). Source: Eurostat

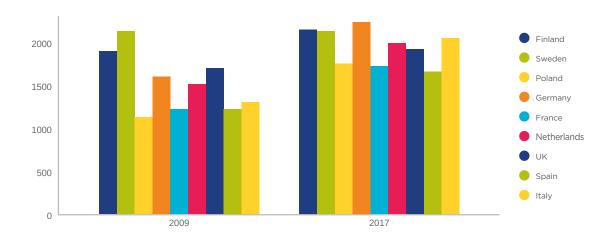


CHART III.4 Population employed aged 55 and over the total population employed (2009 and 2017)

In the various countries, there are still more men than women in the senior labor market, but these differences are decreasing, as we have seen with activity decrease (Tables III.7 and III.8 and Charts III.5 and III.6). The Nordic countries and France have the most equal distribution and Poland, the Netherlands and Italy the most distant values, but everywhere the female participation is now above 40%. In this regard, Spain presents an intermediate situation between the two groups of countries.

	FINLAND	SWEDEN	POLAND	GERMANY	FRANCE	NETHERL.	UK	SPAIN	ITALY
% Men	49.82	53.67	68.68	56.77	51.94	61.66	57.06	62.38	65.27
% Women	50.18	46.33	31.32	43.23	48.06	38.34	42.94	37.62	34.73

TABLE III.7 Population employed aged 55 and over by gender (2008). Source: Eurostat

	FINLAND	SWEDEN	POLAND	GERMANY	FRANCE	NETHERL.	UK	SPAIN	ITALY
% Men	50.40	53.18	58.03	54.07	49.82	58.95	54.60	56.09	59.79
% Women	49.60	46.82	41.97	45.93	50.18	41.05	45.40	43.91	40.21

TABLE III.8 Population employed aged 55 and over by gender (2017). Source: Eurostat

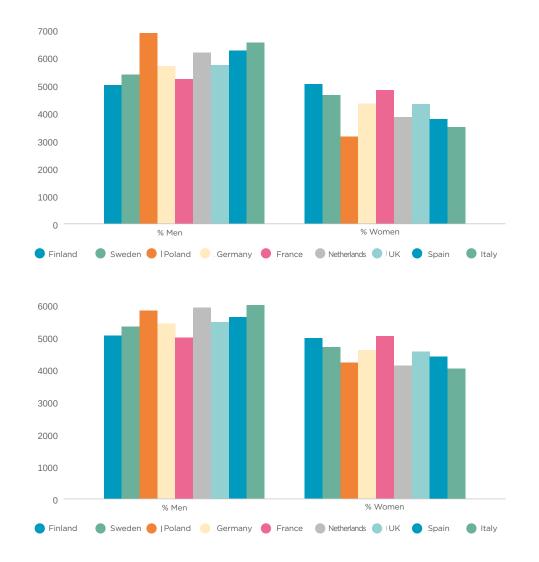


CHART III.5 Population employed aged 55 and over by gender (2008)

CHART III.6 Population employed aged 55 and over by gender (2017)

Once again, the majority of senior employment is concentrated in the 55-59 age group (Tables III.9 and III.10 and Charts III.7 and III.8), but there are significant differences within this range. The lowest rate corresponds (2017) to Spain (61%), which contrasts with those of Sweden (84%) Germany (80%), the Netherlands (75%) and the United Kingdom (74%). This model of lower rates in this segment is shared by Italy (63%) and Poland (64%). Values have increased everywhere since 2008, but Spain is one of the territories where this growth has been lowest.

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	FINLAND	SWEDEN	POLAND	GERMANY	FRANCE	NETHERL.	UK	SPAIN	ITALY
55-59	70	81	40	69	56	70	70	56	47
60-64	41	60	19	35	16	35	46	34	20
65-69	10	17	9	8	4	11	17	6	7
70-74	4	6	5	4	1	5	7	1	3
75 and over	0	0	2	1	0	1	2	0	1

TABLE III.9 Employment rates by age group (%), 2008. Source: Eurostat

	FINLAND	SWEDEN	POLAND	GERMANY	FRANCE	NETHERL.	UK	SPAIN	ITALY
55-59	76	84	64	80	72	75	74	61	63
60-64	49	68	33	58	29	56	52	38	40
65-69	13	23	11	16	7	14	21	6	11
70-74	7	10	4	7	3	7	11	1	4
75 and over	0	0	1	2	0	2	3	0	1

TABLE III.10 Employment rates by age group (%), 2017. Source: Eurostat

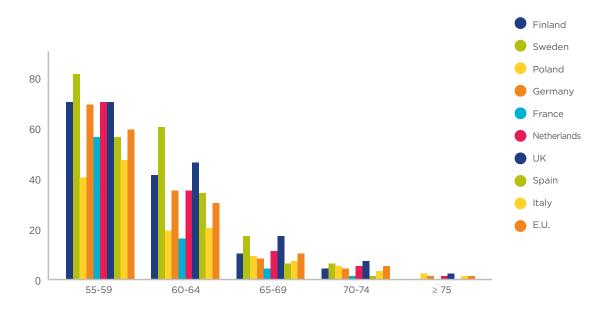


CHART III.7 Employment rates by age group (2008)

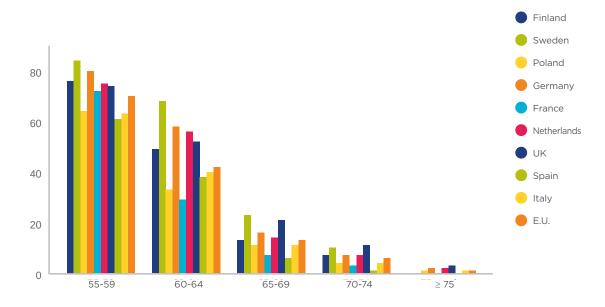


CHART III.8 Employment rates by age group (2017)

In the following age group (60-64) the values are significantly lower. Here too there have been increases, in general small, except in the cases of Poland, Germany and Italy, where they have been greater. Also in this segment there are notable differences, with extremes in the French (29%) and the Swedish (68%) value. France is a country with an early retirement age, which explains the low number of people employed in this group. The Spanish rate (38%) is one of the lowest in this age group, a value relatively close to those of Italy (40%) and Poland (33%).

Beyond the age of 65, rates drop very sharply. They remain above 20% in Sweden and the UK and drop to really small figures in France (7%) and Spain (6%), the latter of which once again holds the record for the lowest rate. The retirement age in Spain is evolving from 65 towards 67 years old, which will apply to all workers in 2027. But these "legal" ages are simple reference points for a large majority of the employed population who retire earlier. So there is a significant difference between the legal age and the actual retirement age, which is brought forward to 63 years old, or a little earlier for men and a little later for women. Clearly Spain is characterized by an excessively early withdrawal from work: a situation that will need to be corrected in the future because we cannot afford it. In this case, even countries like Italy or Poland double our percentage. The only country in the same league as us is France, where as we have seen, the retirement age is earlier.

And if employment is already lower in the group which includes our legal retirement age, then in the group of 70 to 74 years it is insignificant. Sweden and the UK are the an example again, with values above 10%, contrasting with our ridiculous 1%. It is a testimonial group made up of some small businessmen, self-employed workers or people who have used this method of receiving 50% of their pension and doing complementary work in the private sector.

All the countries still have a long way to go to extend their working lives, except for those which already have high occupation values in segments above

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60 (the Nordics, Central Europeans such as Germany or the Netherlands, and the outgoing UK), and even more where the figures are still low (the Mediterranean and Eastern Europe: Spain, Italy, Poland). And among those which still have a long way to go, Spain stands out with the lowest employment figures on this basis from the age of 60 and over.

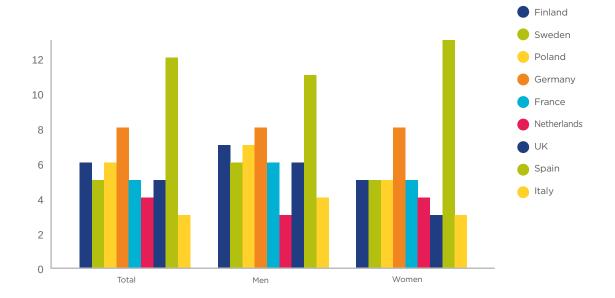
The comparison (2008 and 2017) of unemployment (Tables III.11 and III.12 and Charts III.9 and III.10) provides different situations. In some countries the rates have increased (Finland, France, the Netherlands, Spain, Italy). In others they have remained practically unchanged (Sweden) and in some they have decreased somewhat (Poland, Germany, UK). The variations are small, with the strongest negative difference corresponding to Spain, which experienced an increase of three points: another comparative disadvantage for our country.

	FINLAND	SWEDEN	POLAND	GERMANY	FRANCE	NETHERL.	UK	SPAIN	ITALY
Total	6	5	6	8	5	4	5	12	3
% Men	7	6	7	8	6	3	6	11	4
% Women	5	5	5	8	5	4	3	13	3

TABLE III.11 Unemployment rates (55-64) 2009. Source: Eurostat

	FINLAND	SWEDEN	POLAND	GERMANY	FRANCE	NETHERL.	UK	SPAIN	ITALY
Total	8	5	4	3	6	6	4	15	6
% Men	9	6	4	4	7	5	4	15	6
% Women	7	4	3	3	6	6	3	16	5

TABLE III.12 Unemployment rates (55-64 years) 2017. Source: Eurostat



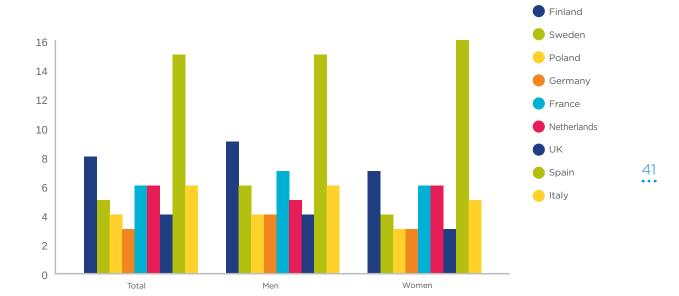


CHART III.9 Unemployment rates (55-64) 2009
CHART III.10 Unemployment rates (55-64) 2017

By gender, unemployment affects men somewhat more than women. Here the most notable exception once more is Spain, where female unemployment rates are slightly higher than men's. Early withdrawal from work, especially when not wished for, or as the result of unexpected dismissal, contributes to self-employment among seniors. The Eurostat statistics provide data on the evolution of self-employment which are not complete (in the 2008-2017 series there is no information for Finland or Poland) and sometimes they are not sufficiently reliable, so those shown in Table III .13 should be analyzed with caution.

COUNTRY	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Finland	-	-	-	-	-	-	-	-	-	-
Sweden	-	-	2.7	3.4	3.9	4	3.9	3.2	1.8	2.3
Poland	-	-	-	-	-	-	-	-	-	-
Germany	35.9	34.7	31.4	36.1	40.7	43.7	44.9	46.3	50	45.9
France	10.3	10	16.8	15.5	13.5	16.3	20.5	25.6	22.9	24.4
Netherlands	4.9	5.9	2.9	3.2	3.2	4.5	4.5	4.4	5.1	3.6
UK	18.1	17.3	14.1	16.4	13.8	24.3	18.3	16.3	25.8	26.8
Spain	18	12.6	18	28	31	25.7	24.3	32.8	22	25.2
Italy	6.5	3.5	3.5	3.7	4.3	4.3	6	4.7	6.3	5.5

TABLE III.13 Evolution of self-employment (55 to 74), 2008-2017. Thousands of people. Source: Eurostat

Three main facts should be highlighted. The first is that self-employment at these ages has only modest numbers. The second is that it is growing in most countries. The third is that the most significant relative increases are France and the United Kingdom, followed by Spain and Germany. Exceptionally, we have a positive figure in Spain for the evolution of the work of seniors, although since it is due to the small number of self-employed, it is not particularly relevant. It is frequently emphasized that entrepreneurship has no age and that in some places older people have high rates of entrepreneurship and of success (the US being the most characteristic example). It is an alternative to working for others that has considerable opportunities for growth base on what the data tells us. Part-time employment is also on the increase among seniors (Table III.14 and Chart III.11), a reasonable strategy from certain ages, particularly in the process of transition from active life to retirement. The figures are higher in the case of the Netherlands, where more than one in two people opt for this mode of work. The United kingdom, Sweden and Germany have values above 30%. And Spain, Italy and Poland less than 16%. Spain has

	FINLAND	SWEDEN	POLAND	GERMANY	NETHERL.	FRANCE	UK	SPAIN	ITALY
2008	20.70	32.79	23.26	31.69	51.83	21.53	36.75	11.50	13.60
2017	22.02	32.42	12.80	34.71	53.04	25.42	37.69	12.15	15.36

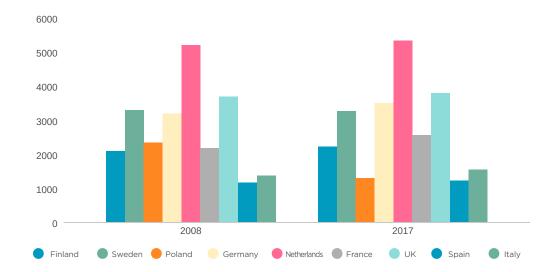


CHART III.11 Part-time employment (%) in 2008 and 2017

the smallest value, with 12%. This means that 88% of seniors in our country continue working full time. The data is very indicative of the scarce acceptance that this way of working among our seniors has and is completely consistent with what we obtained in the survey we sent to 1,500 Spanish companies and whose results were published in the report we prepared on *Senior Citizens Working in Spanish Companies*. In our country, as in Italy and Poland (where the figures for 2017 are even lower than those for 2008), a work model prevails in which one works 100% full time until the day of retirement. Transition is not phased with reduced hours that are usually related to a greater prolongation of activity. Here the dominant culture is in the all or nothing model, which leads to so much frustration in people who go from practically infinity to zero in twenty-four hours. This does not seem to be the best possible solution to encourage (at least on a voluntary basis), for the benefit of companies and the workers themselves.

As in the employed population as a whole, those aged 55 or over are highly concentrated in the service sector (Table III.15 and Charts III.12 and III.13). All values are between 70% and 80%, except for Poland, where they do not reach 60%. The industrial sector is between 10% and 20% of the total, with slightly higher values for Poland. Poland is the country where the primary sector is highest (15%) since in the others the percentages are between 2% and 6% and figures for the construction sector are also low, although not quite so much so. It is a question, therefore, of highly evolved economic models characterized by a deep tertiarization of activity, where only Poland still has some way to go to intensify tertiary values.

	FINLAND	SWEDEN	POLAND	GERMANY	FRANCE	NETHERL.	UK	SPAIN	ITALY
I	6	4	15	2	4	3	2	5	5
Ш	13	12	21	19	12	13	11	13	16
III	7	7	7	7	5	5	7	6	5
IV	74	77	57	72	79	79	80	76	74

TABLE III.15 Population employed aged 55 and over by major economic sectors (2017). Source: Eurostat

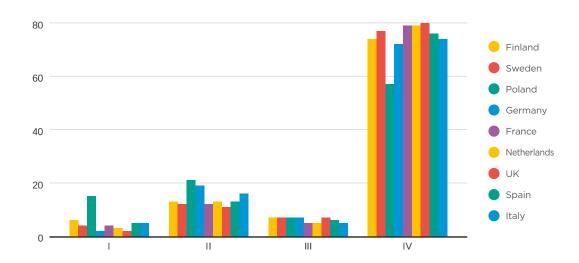


CHART III.12 Population employed aged 55 and over by major economic sectors

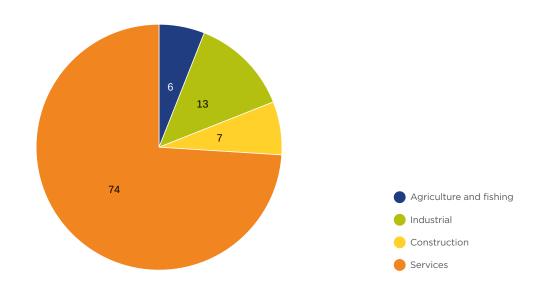


CHART III.13.a Finland. Population of age 55 and over employed by sector

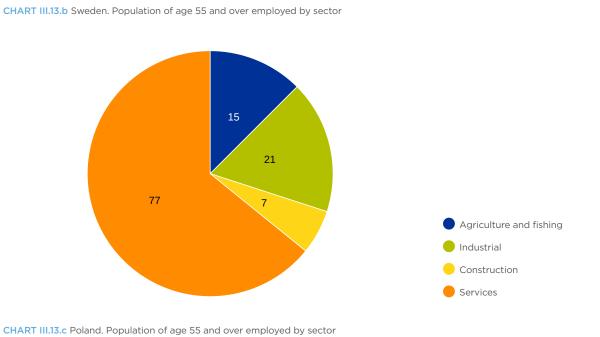


Agriculture and fishing

Agriculture and fishing

IndustrialConstructionServices

IndustrialConstructionServices



19

6

CHART III.13.d Germany. Population in work 55 and over by sector

73

77

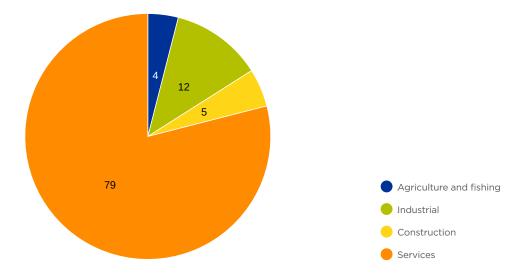


CHART III.13.e France. Population of age 55 and over employed by sector

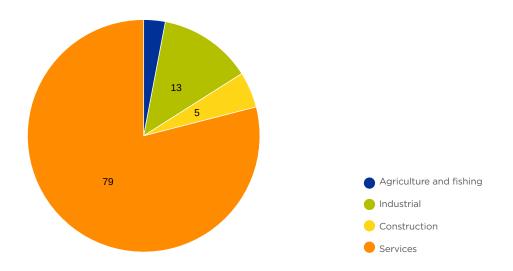


CHART III.13.f Netherlands. Population of age 55 and over employed by sector

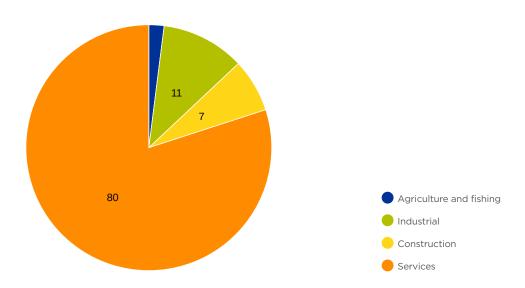


CHART III.13.g UK. Population of 55 years-old and over employed by sector

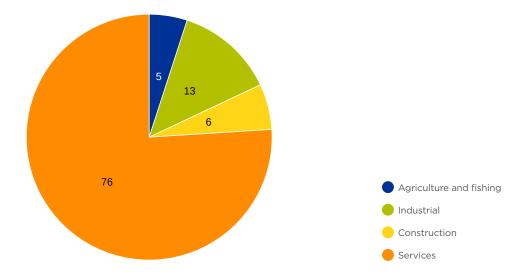


CHART III.13.h Spain. Population of age 55 and over employed by sector

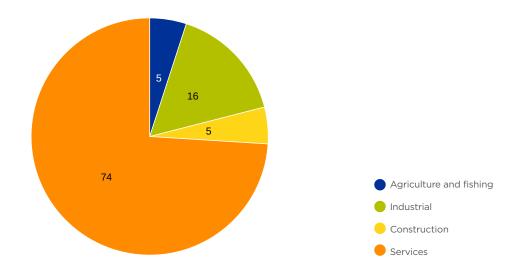


CHART III.13.i Italy. Population of age 55 and over employed by sector

For the analysis of the senior population by economic sector, we have grouped the 21 sectors provided by Eurostat into 13 groups in order to simplify the analysis. They are the following:

- I. Agriculture and fishing
- II. Industrial
- III. Construction
- IV. Trade and transport
- V. Real estate, accommodation and food services
- VI. IT and communication

- VII. Financial activities
- VIII. Professional, scientific and technical activities
- IX. Clerical activities
- X. Government and defense
- XI. Education
- XII. Healthcare and social work
- XIII. Other services

Analysis of the data leads to the following conclusions (Table III.16 and Charts III.14 and III.15):

- In all countries, seniors carry out their work in three main branches of activity: healthcare and social services, commerce and miscellaneous activities related to the industrial sector.
- Conversely, those with the lowest occupancy levels are agriculture and fishing (Poland is an exception), real estate services, IT and communication, financial activities and construction.
- The branches of professional activities and education have intermediate values.
- This distribution is not difficult to understand. Age is a handicap for fully developing activities that require greater physical effort such as those in the agricultural sector, fishing, construction and certain jobs in the mining and industrial sector. In this branch there is a certain concentration of seniors, but these are jobs in industrial companies with no requirement for physical effort. Some companies, including BMW, have been able to establish ergonomic plans to facilitate the activity of seniors and others have moved people to new occupations when they reach a certain age. The latter is the practice, for example, of some electrical companies which transfer workers who used to work on power lines or installations to material supply warehouses.

On the other hand, seniors are better able to perform their work in branches in which intellectual activity rather than purely physical activity prevails: healthcare, commerce, professional services or education.

	FINLAND	SWEDEN	POLAND	GERMANY	FRANCE	NETHERL-	UK	SPAIN	ITALY
I	6.31	3.70	14.89	1.87	4.27	3.37	1.98	5.43	4.80
II	12.80	12.11	20.91	19.37	12.15	12.70	11.25	12.56	15.59
III	7.18	6.60	6.85	6.47	5.31	4.82	7.32	5.74	5.08
IV	14.37	14.13	15.42	18.43	15.68	18.04	18.88	19.45	17.27
V	3.36	3.68	3.41	3.69	4.70	3.42	4.60	7.37	4.59
VI	2.38	2.37	0.84	2.30	2.12	1.90	2.43	1.10	1.51
VII	2.18	1.40	1.65	2.96	3.13	2.82	2.42	1.78	3.00
VIII	7.65	8.79	3.21	5.46	5.23	7.25	7.40	4.28	5.68
IX	4.42	3.67	4.65	5.54	3.56	4.49	5.30	5.16	3.64
Χ	5.30	7.59	6.34	7.89	12.16	8.46	6.41	10.37	8.61
XI	8.65	12.44	9.90	6.93	7.69	8.88	11.09	7.70	11.64
XII	19.00	17.59	8.45	13.23	17.05	18.96	15.08	11.43	10.53
XIII	6.31	5.63	3.48	5.86	6.95	4.89	5.84	7.66	8.06

TABLE III.16 Population employed aged between 55 and 74 by branch of economic activity (2017). Source: Eurostat

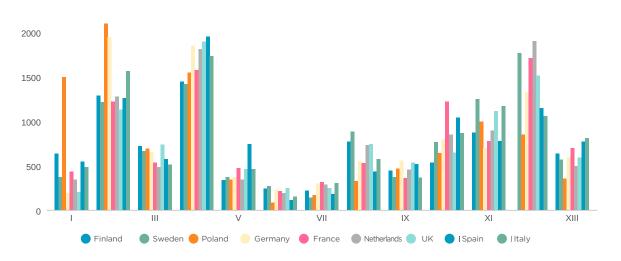


CHART III.14 Population employed aged between 55 and 74 by branch of economic activity (2017)

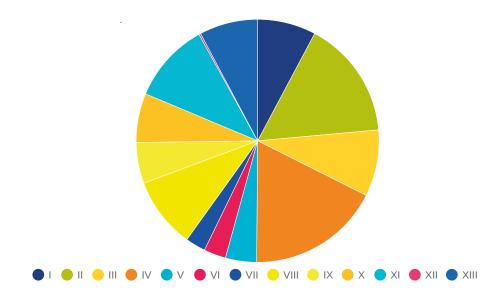


CHART III.15.a Finland. Population employed aged between 55 and 74 by branch of economic activity (2017)

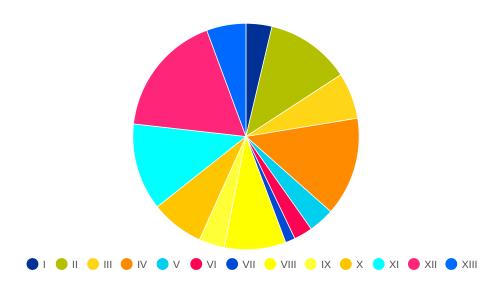


CHART III.15.b Sweden. Population employed aged between 55 and 74 by branch of economic activity (2017)

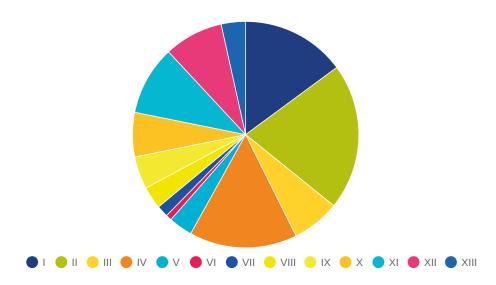


CHART III.15.c Poland. Population employed aged between 55 and 74 by branch of economic activity (2017)

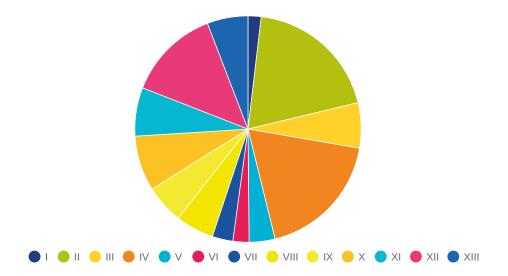


CHART III.15.d Germany. Population employed aged between 55 and 74 by branch of economic activity (2017)

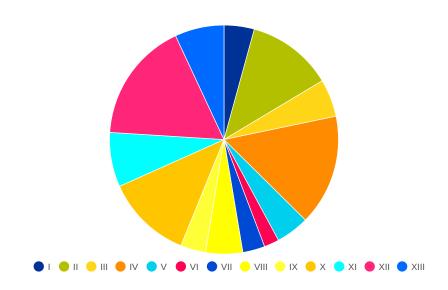


CHART III.15.e France. Population employed aged between 55 and 74 by branch of economic activity (2017)

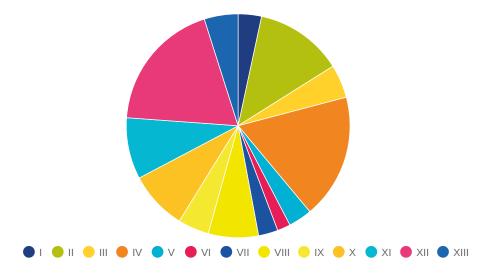


CHART III.15.f Netherlands. Population employed aged between 55 and 74 by branch of economic activity (2017)

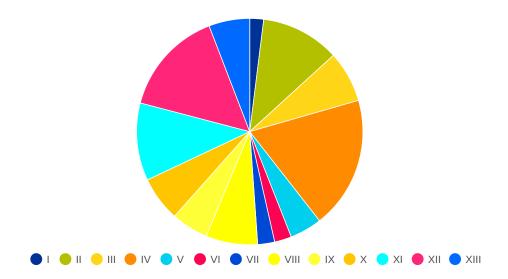


CHART III.15.g UK. Population employed aged between 55 and 74 by branch of economic activity (2017)

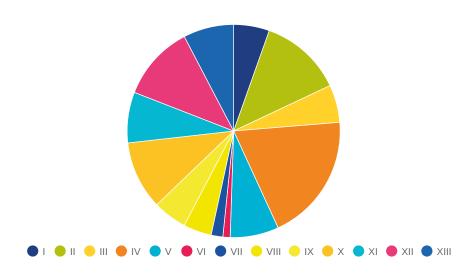


CHART III.15.h Spain. Population employed aged between 55 and 74 by branch of economic activity (2017)

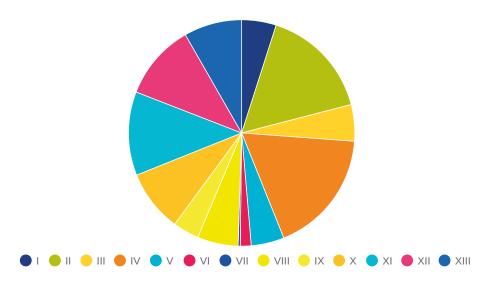


CHART III.15.i Italy. Population employed aged between 55 and 74 by branch of economic activity (2017)

Distribution by gender (Tables III.17 and III.18; Charts III.16 and III.17) shows a predominance of men in the branches of industry, construction, and commerce and transport. On the other hand, the highest values of women correspond to the educational sector and, especially, to healthcare and social work. These are two branches in which female work has been consolidated over the years. Not surprisingly, the various careers related to training and bio-sanitary sciences are areas with a majority presence of women.

	FINLAND	SWEDEN	POLAND	GERMANY	FRANCE	NETHERL-	UK	SPAIN	ITALY
I	9.84	5.24	17.01	2.41	5.77	4.12	2.67	7.12	5.92
II	18.99	18.08	26.73	26.52	16.60	18.01	16.47	17.81	20.93
Ш	13.33	11.51	11.18	10.23	94.00	7.53	11.62	9.40	8.19
IV	18.73	18.86	17.25	19.55	19.56	20.99	21.44	22.59	20.79
V	3.04	3.79	2.32	3.00	4.54	3.07	3.81	6.24	3.66
VI	3.42	3.68	0.96	2.74	3.02	2.56	3.15	1.39	1.85
VII	1.40	1.47	0.91	2.95	2.99	3.45	2.74	2.22	3.45
VIII	8.92	10.47	3.00	6.04	6.70	8.88	8.91	4.85	6.59
IX	4.14	3.81	5.36	5.38	3.44	4.02	5.55	3.37	3.13
X	3.61	6.06	4.67	7.55	10.40	9.47	4.95	10.40	8.34
ΧI	6.04	6.34	5.06	3.91	5.74	7.13	6.32	4.96	5.47
XII	4.33	5.84	2.98	6.18	7.37	7.03	6.56	5.57	7.35
XIII	4.21	4.85	2.57	3.63	4.47	3.74	5.80	4.14	4.33

TABLE III.17 Population employed aged between 55 and 74 by branch of economic activity (2017), men. Source: Eurostat

<sup>&</sup>lt;sup>1</sup> See https://ec.europa.eu/esco/portal/occupation.

	FINLAND	SWEDEN	POLAND	GERMANY	FRANCE	NETHERL-	UK	SPAIN	ITALY
I	2.91	1.95	11.96	1.21	2.79	2.28	1.16	333.00	3.15
II	6.80	5.33	12.84	11.09	7.75	5.03	5.04	5.84	7.76
III	1.17	1.03	0.84	2.12	1.21	0.90	2.20	1.06	0.52
IV	9.86	8.77	12.93	17.17	11.84	13.81	15.84	1,645.00	12.13
V	3.73	3.56	4.92	4.51	4.83	3.92	5.55	8.81	5.97
VI	1.40	1.53	0.68	1.63	1.23	0.93	1.59	0.73	1.00
VII	2.98	1.33	2.68	2.96	3.26	1.92	2.05	1.28	2.35
VIII	6.31	6.88	3.49	4.78	3.78	4.89	5.61	3.55	4.34
IX	4.57	3.52	3.67	5.74	3.67	5.16	4.98	7.44	4.38
X	6.87	9.34	8.65	8.31	13.91	7.00	8.14	10.26	9.02
ΧI	11.18	19.38	16.58	10.45	9.64	11.41	16.77	11.19	20.69
XII	33.72	30.85	16.02	21.53	26.64	36.21	25.18	18.90	15.14
XIII	8.50	6.52	4.47	8.45	9.41	6.54	5.89	12.16	13.55

TABLE III.18 Population employed aged between 55 and 74 by branch of economic activity (2017), women. Source: Eurostat

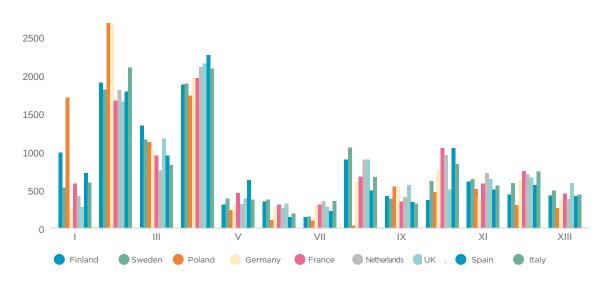


CHART III.16 Population employed aged between 55 and 74 by branch of economic activity (2017). Men

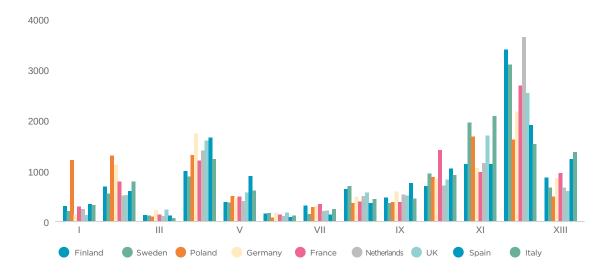


CHART III.17 Population employed aged between 55 and 74 by branch of economic activity (2017). Women

For the occupation analysis we have maintained the ten modalities used in Eurostat statistics. <sup>1</sup> These are:

- I. Managers
- II. Professionals
- III. Technicians and associated professionals
- IV. Clerical support workers
- V. Service and sales
- VI. Skilled workers in the primary sector
- VII. Craft and related trades workers
- VIII. Operators and assemblers
- IX. Elementary occupations
- X. Armed forces

Altogether, the three priority occupations (Table III.19 and Chart III.18) are those of professionals, technicians and associated professionals, and sellers and workers dedicated to maintenance tasks. These, especially the first two categories, are people with a certain level of education who perform intellectual tasks. The least frequent ones among seniors are that of managing directors, which is logically small, armed forces personnel, who frequently go into the reserves at this age, and skilled workers in the agricultural sector who, in view of the decrease in this activity are also quite few.

<sup>&</sup>lt;sup>1</sup> See https://ec.europa.eu/esco/portal/occupation.

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	FINLAND	SWEDEN	POLAND	GERMANY	FRANCE	NETHERL-	UK	SPAIN	ITALY
I	4.46	6.96	6.97	5.50	8.70	6.53	13.86	5.89	5.78
П	23.62	26.84	16.72	17.55	18.63	25.11	21.87	17.45	19.59
III	18.90	19.00	13.16	21,011	17.16	15.85	11.45	10.13	16.35
IV	6.42	5.65	4.61	12.54	8.56	10.52	10.29	9.44	12.68
V	16.88	17.71	12.50	13.79	13.83	16.28	16.04	20.24	13.53
VI	5.67	3.53	13.30	1.67	4.81	2.99	2.10	4.04	3.65
VII	10.58	9.48	14.54	10.68	7.72	8.30	8.45	11.84	10.95
VIII	7.37	6.83	9.61	7.39	6.44	6.40	6.81	7.24	5.69
IX	6.10	3.85	8.60	9.72	13.94	7.93	9.13	13.48	11.46
X	0.00	0.15	0.00	0.05	0.21	0.09	0.00	0.25	0.32

TABLE III.19 Population employed aged between 55 and 74 according to occupation (%), total. Source: Eurostat

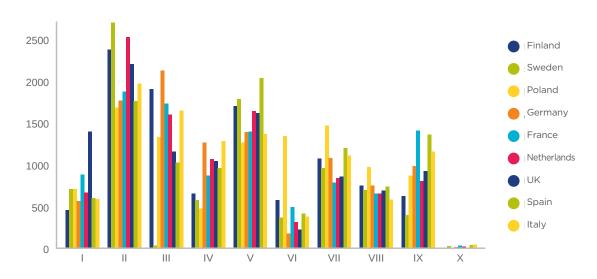


CHART III.18 Population aged 55 to 74 by occupation level (2017), total

Among men (Table III.20 and Chart III.20), professionals, technicians and associate professionals and operators and assemblers clearly predominate; and clerical and elementary occupations are poorly represented. Women (Table III.21 and Chart III.21) are strongly present in the categories of professionals, technicians and related professionals, as well as that of sales. They are more present among the clerical and the elementary occupations group.

	FINLAND	SWEDEN	POLAND	GERMANY	FRANCE	NETHERL-	UK	SPAIN	ITALY
I	6.37	8.12	7.80	7.41	12.24	8.79	16.90	7.89	7.17
Ш	24.43	22.07	11.15	19.42	19.90	26.70	22.45	15.46	16.56
III	14.25	20.58	10.69	18.55	18.52	14.98	9.56	11.75	18.44
IV	1.91	4.04	2.56	7.43	2.75	7.31	4.76	6.64	9.15
V	9.30	9.58	10.48	9.80	8.41	9.37	9.02	15.44	8.96
VI	8.66	5.03	14.90	2.52	6.91	4.20	3.23	5.35	4.68
VII	19.42	16.36	22.80	17.32	13.55	13.36	14.55	19.34	16.49
VIII	12.78	11.10	14.65	11.62	10.18	9.98	11.33	11.27	8.39
IX	2.88	2.84	4.97	5.83	7.06	5.16	8.20	6.41	9.62
X	0.00	0.28	0.00	0.10	0.39	0.15	0.00	0.45	0.54

TABLE III.20 Population aged 55 to 74 by occupation (2017). men Source: Eurostat

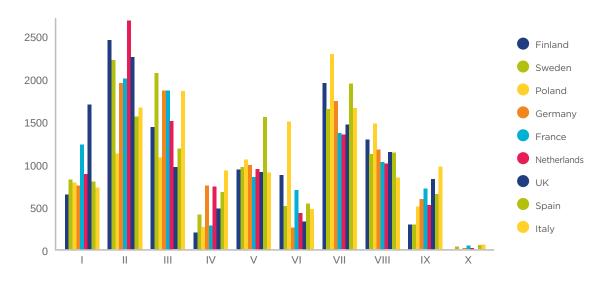


CHART III.20 Population aged 55 to 74 by occupation (2017), men

	FINLAND	SWEDEN	POLAND	GERMANY	FRANCE	NETHERL-	UK	SPAIN	ITALY
I	2.51	5.43	5.84	3.28	5.20	3.36	10.24	3.33	3.75
II	22.82	32.06	24.41	15.31	17.55	22.89	21.16	19.95	24.03
III	23.61	17.00	16.56	24.10	16.11	17.06	13.70	8.08	13.31
IV	11.00	9.40	7.43	18.50	13.34	15.03	16.86	13.02	17.86
V	24.57	26.08	15.28	18.45	19.32	25.98	24.39	26.00	20.23
VI	2.62	1.82	11.09	0.69	2.72	1.28	0.76	2.37	2.14
VII	1.60	1.24	3.13	2.94	2.12	1.26	1.20	2.26	2.81
VIII	1.87	1.98	2.65	2.47	2.83	1.36	1.44	2.10	1.72
IX	9.37	4.99	13.61	14.26	20.77	11.82	10.28	22.50	14.15
X	0.00	0.00	0.00	0.00	0.04	0.02	0.00	0.00	0.00

TABLE III.21 Population aged 55 to 74 by occupation (%) 2017. Women. Source: Eurostat

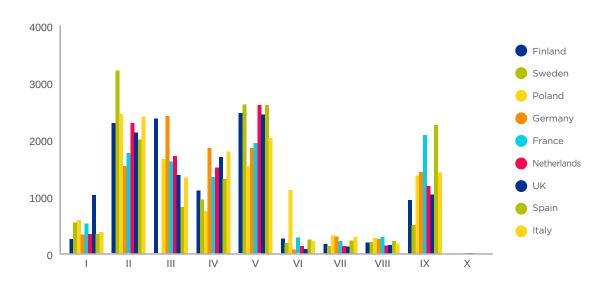


CHART III.21. Population aged 55 to 74 by occupation (2017), women

Thus, a good level of occupation is shared by men and women among seniors in professional categories. But there is still a difference in the quality of the work that testifies to two facts: the lower number of women among directors and managers and the greater presence of women in the group of elementary occupations, which include the range of basic trades which still have a high level of feminization (waitresses, cashiers, cleaners, etc.). The differences by country can be seen in Chart III.19.

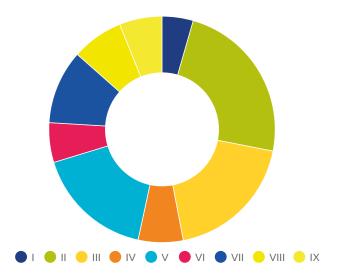


CHART III.19.a Finland. Population aged 55 to 74 by occupation (2017)

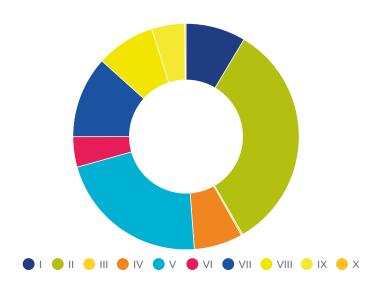


CHART III.19.b Sweden. Population aged 55 to 74 by occupation (2017)

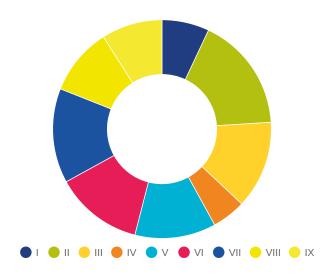


CHART III.19.c Poland. Population aged 55 to 74 by occupation (2017)

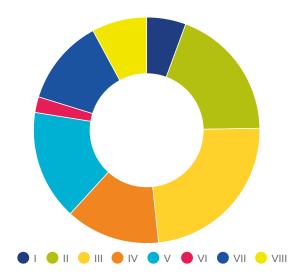


CHART III.19.d Germany. Population aged 55 to 74 by occupation (2017)

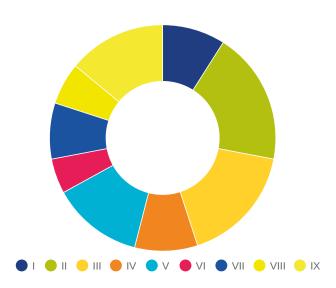


CHART III.19.e France. Population aged 55 to 74 by occupation (2017)

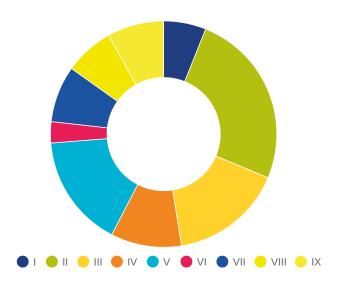


CHART III.19.f Netherlands. Population aged 55 to 74 by occupation (2017)

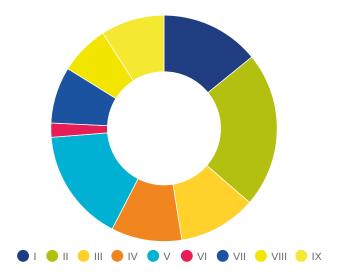


CHART III.19.g UK Population aged 55 to 74 by occupation (2017)

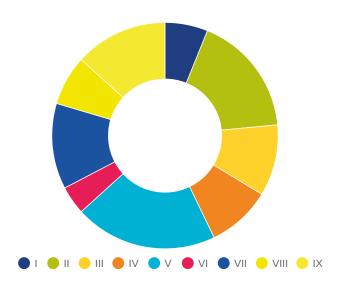


CHART III.19.h Spain. Population aged 55 to 74 by occupation (2017)

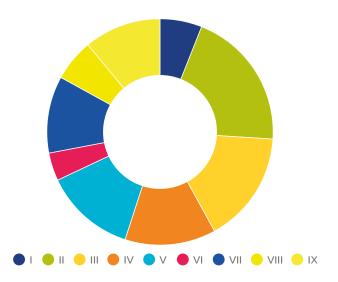


CHART III.19.i Italy. Population aged 55 to 74 by occupation (2017)

Differences by gender in each occupation are clearer in Tables III.22 and III.23 and Charts III.22 and III.23, which contain the percentages of men and women in each of them.

In all countries, the percentages of women are higher than those of men in sales and clerical occupations. In the remainder of occupations, with the exception of half a dozen isolated cases, male workers predominate over female workers.

	FINLAND	SWEDEN	POLAND	GERMANY	NETHERL-	FRANCE	UK	SPAIN	ITALY
I	72	63	65	72	79	70	66	75	74
II	52	44	39	60	62	53	56	50	50
III	38	58	47	47	55	53	45	65	67
IV	15	33	32	32	41	22	25	39	43
V	28	29	49	38	34	30	30	43	39
VI	77	76	65	81	82	71	83	74	76
VII	92	94	91	87	94	86	93	92	89
VIII	87	86	88	84	90	78	90	87	88
IX	24	39	33	32	38	25	49	27	50
X	0	100	0	98	94	0	0	100	100

TABLE III.22 Population aged 55 to 74 by occupation (%) of men in each category (2017). Source: Eurostat

	FINLAND	SWEDEN	POLAND	GERMANY	NETHERL-	FRANCE	UK	SPAIN	ITALY
I	28	37	35	28	21	30	34	25	26
II	48	56	61	40	38	47	44	50	50
III	62	42	53	53	45	47	55	35	33
IV	85	67	68	68	59	78	75	61	57
V	72	71	51	62	66	70	69	57	61
VI	33	24	35	19	18	28	16	26	24
VII	7	6	9	13	6	14	6	8	10
VIII	13	14	12	15	9	22	10	13	12
IX	76	61	66	68	62	75	51	73	50
X	0	0	0	2	6	9	0	0	0

TABLE III.23 Population aged 55 to 74 by occupation (%) of women in each category (2017). Source: Eurostat

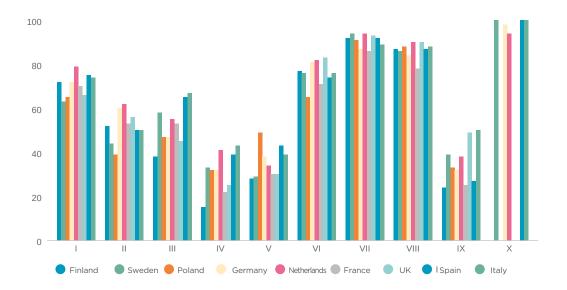


CHART III.22 Population aged 55 to 74 by occupation (2017), men

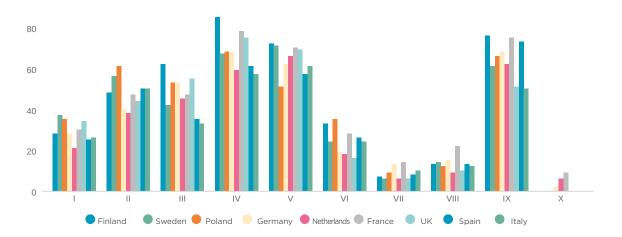


CHART III.23 Population aged 55 to 74 by occupation (2017), women

A decisive variable influencing the quality of employment is educational level. The improvement of education at all levels occurred first among men and later among women, who not only reached but exceeded the levels of their male counterparts.

When we compare the total employed population by educational level (2009-2017), we observe three types of event which are repeated in practically all the countries: a decrease in the number of people with only Level I studies (lower than primary, primary and lower secondary), an increase in those with Level II studies (lower secondary and post-secondary, non-tertiary) and a growth of those with tertiary studies (university and related) (Table III.24 and III.25 and Charts III.24 and III.25).

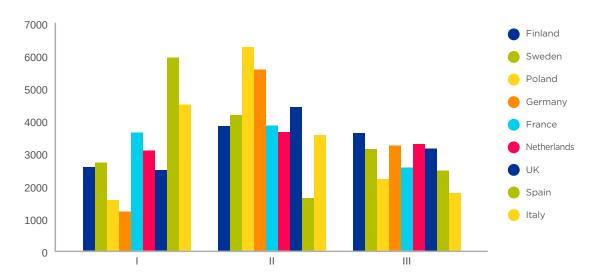
The senior labor market is mainly made up of people with Level II studies, who account for 70% of the total in a country such as Poland. The exception is Spain, where people with the lowest educational level continue to predominate. This is a negative exception that conditions our senior market. Despite recent efforts, almost 45% of older people still have only basic education.

	FINLAND	SWEDEN	POLAND	GERMANY	FRANCE	NETHERL-	UK	SPAIN	ITALY
1	25.63	27.09	15.54	12.00	36.24	30.68	24.66	59.35	44.78
II	38.26	41.68	62.50	62.50	38.32	36.40	44.10	16.06	35.42
III	36.11	31.23	31.23	21.96	25.43	32.68	31.34	24.59	17.69

TABLE III.24 Total population employed by educational level (2009). Source: Eurostat

	FINLAND	SWEDEN	POLAND	GERMANY	FRANCE	NETHERL-	UK	SPAIN	ITALY
I	12.49	17.45	7.06	10.55	26.09	25.52	22.29	44.78	35.45
П	42.63	48.23	71.22	58.59	44.55	40.40	40.98	22.56	43.96
III	44.88	34.20	21.72	30.56	29.36	33.98	36.73	32.66	20.09

TABLE III.25 Total population employed by educational level (2017). Source: Eurostat



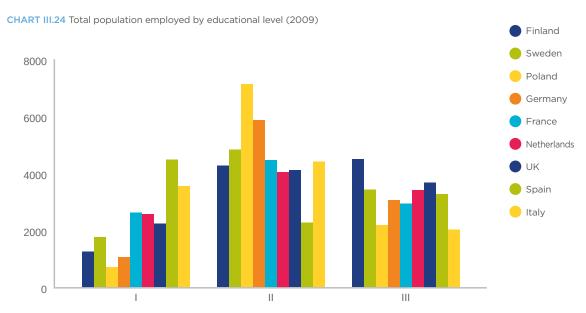


CHART III.25 Total population employed by educational level (2017)

This is even higher than the proportion of those with tertiary education, who represent 1/3 of the total, similar to Swedish, German, Dutch and UK, and above Italian or Polish fractions. In this regard, the best figures are those of Finland, where 43% of seniors have secondary education and almost 45% have tertiary qualifications. If the level of education is an important factor in the employability of workers, Finland is an example to imitate and Spain a country that needs to make significant improvements.

Changing gender differences reflect, logically enough, the same trends (Charts III.26, III.27, III.28 and III.29): a reduction in the number of men and women at Level I, an increase in those at Level II and improvement of the percentages at Level III. The comparison between men and women in 2017 testifies to some differences: the percentages of men at Level I are higher than women in some countries, while in others the opposite is true. Among the countries with the highest male values are Italy and Spain, which are also the territories with the highest figures for both genders. There are also some differences between men and women in Level II percentages, although the disparities are not very great. And with regard to Level III, perhaps the most significant aspect is that, with the exception of Germany and the Netherlands, which have somewhat stronger male indices, in the rest of the countries the percentage of women is higher. Although females set out later on the path of higher education, they gradually caught up until they managed to exceed males, even in this segment of the senior population. Especially notable are the differences in the Nordic countries. In Finland the percentage of women with tertiary education is 10 points higher than that of men (49% and 39% respectively) and in Sweden 13 points higher (41% and 28%). In the other countries, these differences, whether in favor of men or women, are smaller. In Spain, for example, women are only three points ahead.

	FINLAND	SWEDEN	POLAND	GERMANY	FRANCE	NETHERL-	UK	SPAIN	ITALY
ı	28.04	27.04	15.53	8.30	32.36	27.64	19.29	60.42	48.01
П	37.00	46.40	64.94	53.58	41.01	37.76	49.53	14.97	34.17
III	34.96	26.56	19.53	38.12	26.63	34.60	30.46	24.61	17.69

TABLE III.26 Total population employed by educational level (2009). Men. Source: Eurostat

	FINLAND	SWEDEN	POLAND	GERMANY	FRANCE	NETHERL-	UK	SPAIN	ITALY
I	23.40	27.24	15.56	16.69	40.38	35.37	31.73	57.53	41.65
П	39.43	36.30	58.17	58.11	35.45	34.31	38.09	17.89	37.58
III	37.17	36.56	26.27	25.20	24.17	30.32	30.18	24.57	20.77

TABLE III.27 Total population employed by educational level (2009). Women. Source: Eurostat

	FINLAND	SWEDEN	POLAND	GERMANY	FRANCE	NETHERL-	UK	SPAIN	ITALY
ı	16.31	18.65	7.35	8.76	23.83	24.25	20.14	47.23	39.65
П	44.19	53.16	74.93	55.51	46.61	39.93	43.88	21.55	42.66
III	39.50	28.19	17.72	35.73	29.56	35.82	35.98	31.22	17.72

TABLE III.28 Total population employed by educational level (2017). Men. Source: Eurostat

		FINLAND	SWEDEN	POLAND	GERMANY	FRANCE	NETHERL-	UK	SPAIN	ITALY
	I	8.87	16.17	6.67	12.55	28.28	27.18	24.72	41.66	30.84
66	II	41.14	42.40	66.25	62.42	42.54	41.02	37.70	23.83	45.76
	III	49.93	41.43	27.08	25.03	29.18	31.80	37.58	34.51	23.40

TABLE III.29 Total population employed by educational level (2017). Women. Source: Eurostat

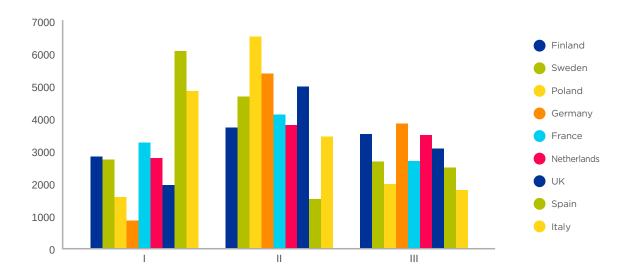


CHART III.26 Population employed by educational level (2009), men

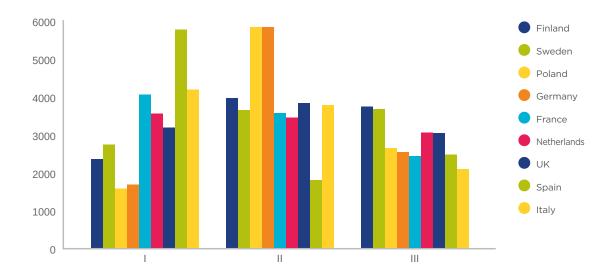


CHART III.27 Population employed by educational level (2009), women

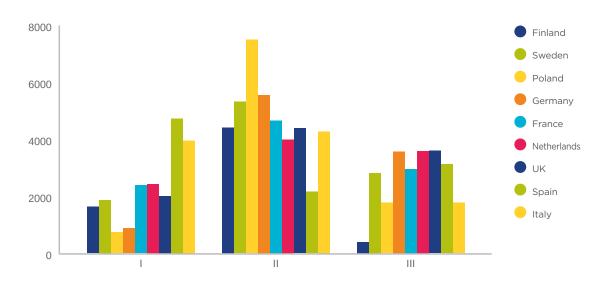


CHART III.28 Population employed by educational level (2017), men

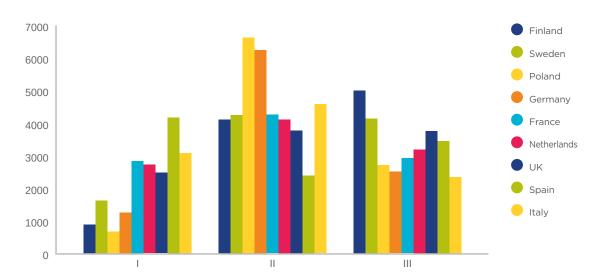


CHART III.29 Population employed by educational level (2017), women

A good indicator of the greater or lesser permanence of seniors in the labor market is the average duration of working life (Table 30 and Chart III.30). The first thing to note is that the value increases between 2008 and 2017, which is partly explained by the slight rise in the legal and real retirement age. This general rise maintains some quite revealing differences between the various countries. Sweden leads the ranking of longest working life with almost 42 years. Then come Germany, the Netherlands, Finland and the UK with about 40 years. In contrast, Spain, Italy and Poland have the shortest values with between 30 and 35 years. Once again, early withdrawal from work due to pre-retirement and early retirement is directly related to this short duration of working life, which characterizes the markets of southern and Eastern Europe and which will not be able to be maintained in the future.

	GERMANY	SPAIN	FRANCE	ITALY	NETHERL.	POLAND	FINLAND	SWEDEN	UK	TOTAL
2008	36.5	34.2	33.6	30.0	39.4	30.6	37.3	40.0	37.9	34.3
2017	38.4	35.1	35.2	31.6	40.1	33.3	38.0	41.7	38.9	35.9

TABLE III.30 Duration of working life (2008 and 2017). Source: Eurostat

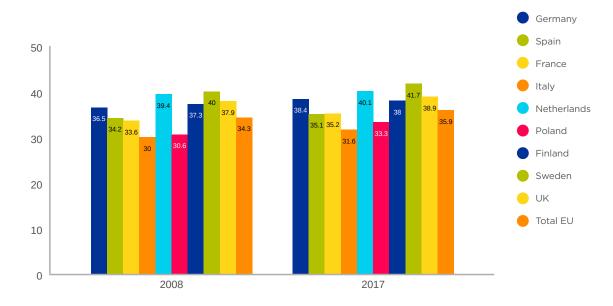


CHART III 30 Duration of working life

With life expectancy at birth higher than 80 years, rising to above 85 at age 65, working for only 30 or 35 years has no justification, either from the economic point of view, or from the workers' personal perspective. With future longevities of 100 years to come, working lives will have to be more than 40 years. The Swedish model would have to be generalized to all EU countries.

## I.4 THE TRANSITION FROM ACTIVE LIFE TO RETIREMENT

We have supplemented Eurostat statistics with studies referring to specific aspects of the labor market. The 2012 study deals with the subject of the title of this section and it seemed to us that presenting its results was of interest for our purpose.

Of course we are now seven years away from the date of the study, which was also conducted soon after the crisis which started in 2008. Nevertheless, we believe that this information has objective value because it indicates trends that have lasted over time and because it analyzes issues that do not appear in the annual statistics used. These are the main issues:

The first refers to the age of receipt of the first retirement pension (Table IV.1). The earliest is the figure for Poland (57 years), but not far behind are the values for Italy (58), the UK (58.3) and France (59). The Spanish figure is somewhat higher (61.8) and the highest of all are the Nordic and the Dutch. The figure for Spanish males coincides with the real retirement age, which is almost six years below the current legal age, which is transitioning from age 65 to age 67. The differences between men and women are small, with men receiving a pension first in some countries and women in others.

The second issue is early retirement (Table IV.2 and Chart IV.2) among people who receive an old-age pension. The figures are expressed in percentages and the differences between countries are significant. The smallest values are from Finland (26.5%) and the UK (23.1%) and the highest by far is that of Italy (73.5%). Spain is in second place on 59.3%, which reinforces the idea of a Mediterranean model of early withdrawal from work. Furthermore, this

	FINLAND	SWEDEN	POLAND	GERMANY	FRANCE	NETHERL-	UK	SPAIN	ITALY
Total	61.4	63.6	57.1	61.1	58.9	62.7	58.3	61.8	58.0
Men	61.4	63.6	58.5	61.2	58.6	62.7	58.0	61.7	57.8
Women	61.5	63.6	56.1	61.0	62.7	59.3	58.6	61.9	58.4

TABLE IV.1 Age of receipt of first retirement pension. Source: Eurostat

	FINLAND	SWEDEN	POLAND	GERMANY	FRANCE	NETHERL-	UK	SPAIN	ITALY
Total	26.5	46.1	44.2	43.7	55.9	23.1	59.3	73.5	58.0
Men	26.2	43.5	53.3	42.7	59.8	31.7	61.4	88.3	57.8
Women	26.6	48.7	38.9	45.1	48.5	14.5	54.9	47.6	58.4

TABLE IV.2 Early retirement among people who receive an old-age pension (%) 2012. Source: Eurostat

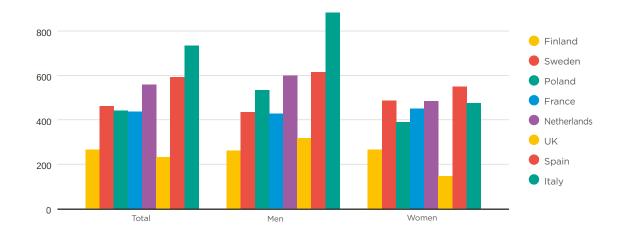


CHART IV.2 Early retirement among people who receive an old-age pension (2012)

withdrawal is more pronounced in the case of men than of women, where the percentages are, in most cases, lower (the difference in Italy is considerable).

The third issue is the evaluation of people who reduce their working hours (Table IV.3 and Chart IV.3) in the transition to retirement. This is a topic that has been previously discussed when talking about full-time and part-time work, a strategy that might favor (and does in fact favor in many cases) a gradual transition to retirement. As in the previous analysis of part-time work, the Netherlands has the highest percentage of reduction of working hours (21%). The figures do not coincide because neither the sources of information nor the years are the same, but both describe the same situation. The highest values are once again the Nordic ones (Finland 18% and Sweden 17%) and the lowest the Mediterranean ones, with Spain having the lowest of all (2.1%). There is no uniform trend by gender. In some countries, it is women who reduce their working hours the most and in others it is men.

Not all those who receive a pension would have wished to retire (Table IV.4 and Chart IV.4). Some would have liked to remain linked to the labor

	FINLAND	SWEDEN	POLAND	GERMANY	FRANCE	NETHERL-	SPAIN	ITALY
Total	17.9	16.8	9.8	2.7	8.5	20.7	2.1	2.8
Men	16.1	18.4	8.6	2.1	6.7	23.9	2.4	2.6
Women	19.6	15.2	10.9	3.4	10.6	15.8	1.8	3.1

TABLE IV.3 People who reduce their working hours in transition to retirement (%), 2012. Source: Eurostat

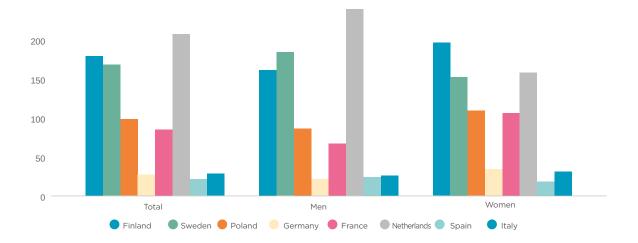


CHART IV.3 People who reduce their working hours in transition to retirement (%), 2012.

market, although they were unable to do so. In this sense, the situation in Spain, which has the highest percentage (43.6%), is significant. The fact is that this is hopeful data for a necessary prolongation of the activity of seniors in our country. We must not confuse the wish with the final decision, since the objective conditions for fulfilling this wish are often insurmountable. But companies and the government should at least be aware of this reality and legislate and establish policies to make this desire easier to accomplish. And together with Spain, there are more people in the UK and Finland who would not mind being active for longer. At the other extreme is Poland, with a very low labor continuity rate (7.4%), whilst the rest of the countries are somewhere in the middle. Once again, by gender we observe a variety of situations with higher values for men in some cases and for women in others.

The information includes data on the main reasons why pensioners wish to carry on working. In fact, only four reasons are given: the first (I) is to be able to get the best possible pension, the second (II) is to have sufficient personal or family income, the third (III) is the combination of both of the above; and the fourth (IV) non-financial reasons. Data from responses in Germany and France are high, so special attention should be paid to their results. These are logical but elementary reasons which allow us to highlight the importance of the second motivation and in many cases of non-financial ones. Although we cannot be sure, we are all able to imagine what these are.

	FINLAND	SWEDEN	POLAND	GERMANY	FRANCE	NETHERL-	UK	SPAIN	ITALY
Total	37.1	29.8	7.4	23.8	30.9	28.2	40.7	43.6	27.1
Men	37.7	24.5	8.6	24.4	28.7	29.2	42.4	43.4	28.5
Women	36.4	34.5	6.6	23.2	33.4	26.5	39.4	44.1	24.8

TABLE IV.4 People receiving a pension who would have liked to continue working (%), 2012. Source: Eurostat

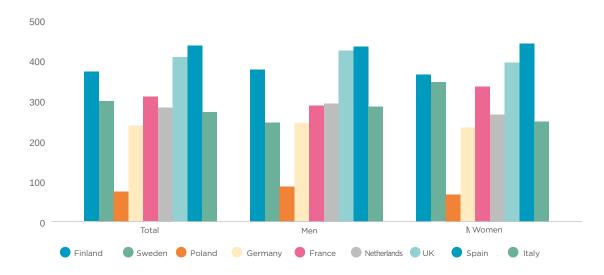


CHART IV.4 People receiving a pension who would have liked to continue working 2012.

Not the least are probably those related to wanting to feel useful to society and a need for personal fulfillment which one fears losing when retiring. Clearly some people cannot afford to leave work owing to the loss of income that receiving a pension entails in the context of financial family needs of their children or parents. Earning more is a necessity for people with active family responsibilities which a pension could not cover. So earning what they need, securing a decent pension or reasons of self-affirmation combine to explain the reasons for continuing to work or having wished to do so.

The document also illustrates pensioners' reasons for leaving work (Table IV.6 and Chart IV.6). There are eight main reasons for this:

	FINLAND	SWEDEN	POLAND	GERMANY	NETHERL-	FRANCE	UK	SPAIN	ITALY
I	2	13	4	7	7	28	17	10	4
II	16	5	6	6	10	7	7	8	7
III	3	17	8	5	11	5	7	16	15
IV	34	19	57	13	49	16	20	19	41
V	5	7	1	2	3	7	6	7	7
VI	31	20	20	30	15	21	21	29	12
VII	2	6	2	3	3	2	9	3	6
VIII	6	13	1	7	2	12	12	6	7

TABLE IV.6 Main reasons for pensioners wanting to continue working (50-69), 2012. Source: Eurostat

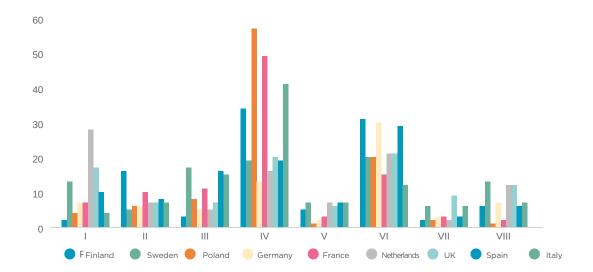


CHART IV.6 Main reasons why pensioners left work (50-69), 2012

- I. Financial situation which favors leaving work
- II. Losing a job or having difficulty finding another one
- III. Reaching the maximum retirement age
- IV. Completing the prescribed time to be entitled to a pension
- V. Other work-related reasons
- VI. Health or disability
- VII. Family care
- VIII. Other reasons

The biggest numbers relate to just two of these reasons: reaching retirement age, a reasonable motive for wanting to retire; and health or disability, which suggests that if these circumstances had not occurred, many people would have remained in the labor market. In this regard, Spain is no different from the rest of the countries.

**STUDY BY COUNTRY** 

# **II.1 FINLAND**

# Sociodemographic Report

Finland is a small country with 5.5 million inhabitants, a fertility rate somewhat lower than the European Union average and with negative, albeit small, natural growth, more than offset by migration; all of this allows the country to grow in real, though moderate, terms. Perhaps the most significant feature of Finland is aging, which is higher than the European average, the same as in Germany and exceeded only by Italy. The country has some peculiarities with respect to working seniors. The active and employed population in this segment is growing, but only modestly (16.6% and 14.2%). Together with Sweden, these are the smallest increases, far lower from those of Germany, Italy and Poland. Women are more prominent in these increases than men, but the differences are not particularly significant. The modesty of recent progress does not prevent Finland from having one of the highest percentages of participation of active and employed senior population as a whole of all active and employed citizens (21.1% of active and 21.4% of employed, exceeded only by Germany). To this may be added another differentiatin15g feature: The almost 50% participation of men and women in the total of active and employed people. The rates of activity and employment in the 55 to 59 age group (82 and 76% respectively) are also high, surpassed only by the Swedes. Those in the 60 to 64 age group approach 50%, a high value in comparative terms as well, and the percentages drop to around 13% in the 65 to 69 group. Unemployment (55-64 years) is around 8%, a value exceeded only by Spain (15%), and is somewhat higher among men (9%) than women (7%). Eurostat provides no data on the evolution of self-employment and the importance of temporary work, but it does provide information about part-time employment, which stands at 22% in 2017, 10 points below Sweden and also lower than Germany, the Netherlands and the UK. This greater presence of seniors in the labor market is practically 80% on a full-time basis. By large economic sector, seniors are employed primarily in services (74%) and very secondarily in the industrial sector (13%). Activities related to healthcare (19%), commerce (14%) and industry occupy the majority of seniors, with more men in these last two activities and a great deal more women in the first (34%).

By occupation, the greatest number or jobs are professionals (24%), technicians and associate professionals (19%) and salespeople and related workers (17%). Men figure above all in the group of professionals and craft workers and women in the group of sales and technical and associated professionals. In four of the ten occupations (associate technicians and professionals, clerical, commercial, and elementary occupations), there is a higher percentage of women than of men. In contrast, only one in four directors or managers is female.

A new distinctive feature in Finland is the high percentage of the population aged 55 and over with tertiary education. At 45% it is the highest of all the countries selected. In contrast, it has a higher number of those with only basic education, trailing both Poland and Germany, which have the lowest of the nine countries.

The average working life is long (38 years) although shorter than the record-setting Swedish one (42 years). The average age of first receiving a pension is around 61.5 years and together with the UK it has the lowest percentage of early retirement (26%) in the group. The proportion of seniors reducing their work rates as they approach retirement is 18%, which is just three points below the Netherlands, which has the highest percentage (21%). About 37% of people who receive a pension would have preferred to continue working for primarily non-financial reasons, and those who leave do so mainly because they have worked for the prescribed number of years to be entitled to a pension.

## Highlights:

One of the highest percentages of active and employed seniors in the overall active and employed population.

A practically equal participation of men and women in the active and senior population.

High rates of occupation in the 55-59 and 60-64 age groups.

The highest relative number of seniors with tertiary studies.

The lowest early retirement percentage in the group.

# Legislation

LAW FIRM DATE

Dittmar & Indrenius Attorneys Ltd.

July 2019

### **AUTHOR**

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# **Subject:**

Labor legislation applicable to workers aged 55 or over.

Does the law establish specific labor terms or conditions applicable exclusively to the hiring of workers aged 55 or over by companies (for example, in terms of trial period, severance pay, etc.)?

No.

Can companies enjoy a benefit or bonus in social security contributions or other similar benefits for hiring workers aged 55 or over?

The Employment and Economic Development Office (TE Office) can grant the employer a subsidy to cover the salary costs of an unemployed job seeker. If the subsidy is granted to a person 60 years of age or older who has been unemployed for a minimum of 12 months immediately prior to the granting of said subsidy, the duration of such subsidy may not exceed 24 months each time. Depending on the duration of unemployment, the amount of the subsidy is a maximum of 40% or 50% of payroll costs during the first 12 months and thereafter a maximum of 30% of salary costs. In 2019, the maximum allowance is €1,400 per month, plus a percentage of vacation pay up to the level of the allowance decided.

Does the law impose specific hiring quotas on employers for workers over a certain age? If so, what sanctions can be imposed on companies for non-compliance with these quotas?

Are there any tax advantages for companies that hire workers over 55?

No.

Does the law impose special training obligations that employers must meet when hiring workers aged 55 and over?

No.

However, companies with a normal workforce of at least 20 people must draw up a personnel and training plan annually. This plan must pay particular attention to the special needs of older workers and establish general principles with a view to preserving the work capacity of employees at risk of disability or aging, and improve access to the labor market of workers at risk of unemployment.

Does the law impose special health and safety obligations which employers must meet when hiring workers over 55?

No.

What are the legal consequences of dismissal without cause of a worker aged 55 or over?

There are no legal consequences for the dismissal without cause of a worker aged 55 or over which are different from those of any other employee. However, in calculating the amount of severance pay for wrongful dismissal, under the Finnish Employment Contract Law, the workers' age and their chance of finding a job must be taken into account in consideration of their profession, education and training.

What is the legal retirement age? Does reaching the legal retirement age automatically give rise to the termination of employment?

In general, the earliest legal retirement age depends on the year of birth of the worker. The earliest legal retirement age varies from 63 to 65 for workers born between 1954 and 1964. The earliest legal retirement age of workers born in 1965 or later will be confirmed by a decree of the Ministry of Social Affairs and Health to be published in the year the worker reaches age 62. The retirement age is adjusted taking into account life expectancy.

Reaching the earliest legal retirement age does not automatically lead to the termination of employment, and the deferral of retirement will increase the pension by 0.4% for each calendar month of deferral of the

pension. However, a worker's employment relationship will terminate, with no need for notice or notification, at the end of the calendar month in which the employee reaches the latest retirement age, unless they agree with the employer to continue the employment relationship. The latest retirement age is 68 for those born in 1957 or earlier, 69 for those born in 1958–1961, and 70 for those born in 1962 or later. Any employee continuing to work after reaching the latest retirement age will not earn additional pension rights for the work performed in that period.

Is it standard practice in collective agreements at any level (that is, country, province, sector or company) to include clauses that favor the hiring of workers aged 55 and over?

No.

Is it standard practice for collective agreements at any level (that is, state, provincial, sector or company) to regulate the early retirement of workers aged 55 or over?

No.

Can workers over 55 qualify for early retirement? If this is the case:

- What requirements must be met?
- Will the amount of the pension be reduced with respect to the amount that would be received when retiring at the legally established age?

In accordance with the Finnish Labor Pensions Act, the worker is entitled to retire with a partial old-age pension. The age limit for qualifying for a partial old-age pension is 61 for those born in 1963 or earlier and 62 for those born in 1964. For workers born in 1965 or after, the age limit for a partial old-age pension is adjusted for changes in life expectancy, under the provisions of the Finnish Labor Pensions Act.

When retiring with a partial old-age pension, a person is entitled to 25% or 50% of the pension earned up to that moment. A person may work while receiving a partial old-age pension, and there are no restrictions on the amount of work or income. Alternatively, a person may stop working altogether. When receiving part of the old-age pension in advance, that part will be permanently reduced by 0.4% for each month from the time the worker begins receiving the pension until the month following the earliest legal retirement age. This means that the part of the pension received will be reduced for the rest of their retirement.

Workers are not entitled to a partial old-age pension if, at the time the pension starts, they are receiving other labor-related benefits.

# Do workers over 55 who are dismissed often sue the employer for discrimination?

There are no statistics available in this regard.

In the event of a workforce adjustment plan/collective dismissal, can employers randomly choose the employees affected, including those over 55? Is specific protection against dismissal granted to workers aged 55 or over?

In the case of collective dismissal, no special protection against dismissal is granted to workers aged 55 or over. Normally, the employer has the right to choose which workers to dismiss. However, there are some legal restrictions, and the employment relationship cannot be terminated on discriminatory grounds. In some collective agreements, an order may be established for the termination of employment.

What percentage of workers over 55 are unemployed, relative to the overall unemployment rate?

At the end of May 2019, the number of job seekers over 55 in Finland was 59,700. This figure represents 26.36% of all Finnish job-seekers.

# **Good Practices**

The first study of senior citizens in the labor market studied the case of Berner, a company which manufactures products and solutions for manual labor (such as tools and materials for crafts, chemical compounds for industrial systems, as well as protective and safety materials for workers). Four types of activity were carried out at Berner, each related to management, the working environment, improving and maintaining the skills of older employees, and the labor reserve.

Below are two new cases of good aging practices in this country.

Company	Naantali
Revenue	Unknown
Number of employees	> 1,200
<b>Business sector</b>	Public management
Based in	Finland



### Context

**Naantali** is a town in southern Finland on the shores of the Baltic Sea, with a population of 19,250. The **Naantali City Council** employs more than 1,200 people, of whom 354 were over 55 in 2013. Given the generational profile of the workforce, the City Council estimated that around 3% - 4% of its professionals would begin to retire between 2014 and 2020.

# **Objectives**

Since 2003, the organization has had an age management program for its workforce, partly as a result of Finnish legislation promoting age management in companies.

Taking into account the increasing age of the workforce and the imminent retirements, the objective of this program was to maintain the work capacity of its older employees with the following milestones:

- Reduce the rate of absenteeism of the elderly.
- Increase the average retirement age.

## **Description of Good Practices**

# 1. Performance management

As part of the annual performance review, an interview is held for workers aged 55 and over where age-related issues are considered and separately documented.

In these sessions, the individual needs of the professional are discussed, as well as any possible physical or psychological limitations. This allows any necessary adjustments to be made and the professional to continue maintaining their productivity and motivation until retirement age.

## 2. Organizational changes

After the first review at age 55, the City Council must consider reducing the workload of its older workers and the specific job-related ergonomic aspects underlying their daily activities.

If any professional is no longer considered to be capable of carrying out their usual functions, they may be temporarily assigned other tasks in order to develop skills which are useful for another job for which they are more suited. This type of internal mobility is normally carried out through fixed-term training contracts.

## 3. Training and mentoring

The Naantali City Council has a mentoring program in which each new person hired is paired with an older worker so that the latter can convey their valuable knowledge acquired through experience.

The type of knowledge transmitted to the new generations includes knowledge of the history and values of the organization, work methodology and the behavior expected of employees.

This pairing between age groups is advantageous for everyone, since it helps young people integrate more quickly into their new position. Furthermore, the "fresher" perspectives of young people and certain more up-to-date knowledge benefits the older workers.

Training plans are designed each year for the entire workforce, regardless of age. The organization firmly believes that all workers should retain their ability to learn and develop at all stages of their careers. Therefore, everyone has the option to participate in seminars and training programs.

## 4. Improvements in healthcare services

The healthcare service contracted by the **Naantali City Council** for its workers includes specific benefits for seniors. Comprehensive medical check-ups are carried out every two years until retirement age. These medical checkups include diseases and conditions typical of older ages, such as cardiovascular or musculoskeletal disorders. Similarly, workers may receive various types of physiotherapy, if there is a justified medical need, with the organization covering the cost of up to ten sessions.

The objective is to identify potential risks and take measures at an early stage to prevent or mitigate their impact on the ability to work.

Thanks to this program, nearly half of older employees benefited from physiotherapy in 2013, and sick leave in older workers was reduced.

### 5. Senior team

The "senior team" is made up of nine members and is part of the Organization Committee dedicated to the hiring of older employees. This team organizes events and information sessions to maintain the well-being of older employees and has an annual budget of €14,500 for organizing cultural excursions and subsidizing the use of sports facilities.

## 6. Management team training

Most managers obtain the so-called JET (Management Specialist Qualification) training. This training in management skills aims to improve the leadership skills of those taking part.

In addition, the program is complemented by seminars and projects that allow theoretical knowledge to be put into practice.

Developing these types of skill should allow people of all ages to be better managed and to recognize and understand the changing nature of each person's work skills as they get older.

The retirement age at the City Council went from 59.4 in 2012 to 61.5 in 2013, and there were also several cases of people working beyond retirement age.

Company	Saarioinen Lmt
Revenue	\$311 M
Number of employees	1,321
<b>Business sector</b>	Food and tobacco
Based in	Finland



### Context

**Saarioinen Ltd** is a Finnish food company founded in Sahalahti in 1945. Its initial objective was to produce chickens to feed other breeders' animals. In 1991, the company moved its headquarters to Tampere and the following year it became a Group: **Ruoka-Saarioinen Oy**, Saarioisten Säilyke Oy, Liha-Saarioinen Oy and Saarioisten Taimistot Oy.

In early 2011, the Ruoka-Saarioinen, Liha-Saarioinen, Saarioinen Meat Processing, Saarioisten Keskuslähetö, Saarioinen Säilyke and Kiinteistö Oy Sahalahti Isoniementie companies merged with the parent company Saarioinen Oy. Saarioinen Oy currently has four food production plants and several logistics centers and is owned by the holding company Artekno-Saarioinen Oy.

About 16% of the workforce is over 54 years old, with a large number of them being factory workers assigned to a three-shift program.

# **Objectives**

At a time of labor shortages between 1989 and 1995, the **Ruoka-Saarioinen** workforce decreased by 230 people. At the same time, in the period from 1986 to 1994, early retirement due to disability had cost the company three million euros. For this reason, it was necessary to take specific measures designed for this age group.

In the 1990s, the company began worry about maintaining the health and employability of its factory workers. **Ruoka-Saarioinen**, a group company dedicated to food production, began to get involved in projects of this nature in order to extend the working life of its workers.

In addition, **Saarioinen Lmt** age management programs aimed to reduce the costs associated with the high rate of sick leave and early retirement due to musculoskeletal disorders.

# **Description of Good Practices**

## 1. Age management program at Ruoka-Saarioinen Oy

The company began to analyze the content and health risks of jobs. Following the analysis, the original age management program was designed, and evolved over time. The measures included in the original plan were as follows:

- Medical check-ups.
- Physical training in the workplace.
- Training on management of change in working culture and forms.
- Creation of a healthcare promotion group to plan and implement the changes needed and support workers in their physical training and maintenance of a healthy lifestyle.
- Development opportunities through professional qualifications: for example, employees may obtain a basic nutrition certificate through the company and prepare for official exams.
- Partial retirement.
- Rehabilitation courses.

In May 2004, a voluntary pilot program was launched for staff over the age of 54 having at least five years service. The process would begin with an individual meeting between the worker and his or her supervisor during which the work capacity of the worker would be discussed, including an assessment of whether there was any need for training, rehabilitation, modification of tasks, or any other important aspect of the job.

The supervisor would then design a career plan which specified the working conditions and benefits of the worker in question, for subsequent approval by the production manager and the manager.

Some of the benefits of these career plans were:

Opportunity for partial retirement or partial retirement due to disability.

- Priority over younger employees when obtaining leave of 90 to 359 days with an unemployment pension of 70% of salary.
- Substitution of annual vacation pay or benefits for days off.
- Company effort to ensure that senior citizens with health problems or special needs did not have to do all three shifts and were assigned fewer rotating shifts.
- No reduction of salary for workers with reduced tasks.
- Partial or total payment of any physiotherapy recommended by the company's occupational therapist.

As a result of the program, the following milestones were reached:

- Health insurance and disability pension costs were reduced to below the national average.
- Workers' interest in maintaining their state of health increased.
- Half of the employees over the age of 54 participated in the program and were satisfied with it. The workers believed that it was important to maintain their ability to work and were satisfied that the company was listening to them in this context.
- The ergonomic changes improved the workers' body postures.
- Small group training sessions improved team spirit and cooperation.
- Both physical and mental work capacity improved in employees of all ages.

### 2. Saarioinen Ltd Age Management Program

After merging all the distribution companies of the group into a single company, **Saarioinen Lmt**, it extended the program for managing seniors to those with manual jobs. All employees over 54 years of age with five years of service in the group were able to elect to participate in the program, requesting the company to grant them the status of senior. This meant they could meet with their supervisors to assess possible physical limitations to them doing their job and potential training or rehabilitation needs, but they also gained access to a series of benefits for seniors:

- Guaranteed base salary: the base salary was not affected, even when tasks of a different nature from those previously performed were assigned. Performance bonuses and incentives would be in proportion to the new functions.
- Exemption from rotating shifts: older workers were able to be exempt from working in the three-shift system in production plants.
- Less job rotation: older professionals were able to apply for a reduction in job rotation and were given priority in choosing tasks.
- Senior days off: possibility of replacing annual vacation pay or long service bonuses with days off (although not simultaneously with annual vacations or during peak production periods).

Priority for being awarded leave of absence: The legislation provided for employees who had worked a total of ten years in their lives and had been in their current jobs for at least 13 months to be able to apply for a leave of absence. During this time, the company would undertake to hire an unemployed person (with priority for those under 25).

The leave of absence has a minimum duration of 90 days and a maximum of 359 and, although it is accessible to all **Saarioinen Lmt** employees, senior citizens have priority over younger candidates in the awarding of these leaves of absence.

Medical treatment coverage: When physiotherapy (or similar treatment) was prescribed by the company's occupational therapist, Saarioinen Lmt financed part or all of it, even in the case of non-occupational diseases or injuries. Total financing was €300 for each three-year period.

The senior program continues to have increasing success at this company, with a participation rate of 64% of eligible candidates. The average retirement age went from 58 in 2004 to 61.6 in 2013.

Company climate surveys are carried out each year and the results are increasingly positive, especially in relation to improvements in the physical working environment. In addition, managing the career of workers over 50 years of age is recognition of their value to the company, and this is perceived positively.

# **II.2 SWEDEN**

# Sociodemographic Report

Although it has twice the population (10.1 million) of Finland, Sweden is the second smallest country in the sample selected. It is noteworthy for having a relatively high fertility rate within the EU, above the majority and only slightly lower than the French in the sample as a whole. This provides positive natural growth reinforced by favorable immigration, and an aging rate that is at the European average (19.8%). Sweden has the lowest rate of growth of active and senior population, lower even than Finland (13 and 11% respectively). This smaller increase must be seen in the context of a situation characterized by a higher presence of seniors in the labor market. As in Finland, women participate somewhat more in the general increase (13.5% compared to 10.3% in employment) and are slightly reducing the distance separating them from men (in 2017 they represent 47% of the total employed population).

The growth rates noted, although small, allow Sweden to rank at the same level as Finland in terms of the share of the senior employed population in the total employed population. The percentage is 21.2%, just one point below Germany, which holds the lead. This significant presence is related to the high activity and employment rates of Swedes of age 55 years and over. With an index of 84%, Sweden is the country with the highest percentage of the employed population in the 55-59 age group (eight points above Finland and four above Germany). But perhaps the most striking thing about this Nordic country is the high rate of employees in the 60-64 age group. At 68%, it holds the record, with eight points more than Germany. Furthermore, although the percentage is considerably lower, Sweden also has the highest number of employees in the 65-69 (23%) and 70-74 (10%) age groups. Spain (1%), at the other end of the scale, shows a remarkable contrast. Unemployment (5%) is among the lowest in the sample, particularly for women (4%), and approximately a third of Swedes over 55 work part-time from this age (slightly below Germany and the UK and twenty points below the Netherlands).

The longer permanence in the labor market as an employee means that the number of self-employed workers is modest. In a predominantly service economy (77% of seniors are concentrated in this sector), the main branches of activity are healthcare, education and commerce. The well-being state not only has some of its most prominent users among the elderly, but also a significant portion of the workers who finance it. This is especially true among women, where healthcare and education represent 50% of jobs held by seniors. Regarding occupation, the high percentage of "professionals" among both men (22%) and, especially, women (32%) is worthy of note. This circumstance must be seen in the context of the high percentage of older people with tertiary studies, especially, once more, in the case of women (41.4% compared to only 28% of men). For all the reasons we have indicated,

women form a substantive element of the Swedish model of senior work. They play an essential role in the growth of the older working population in all countries, but in Sweden they play a particularly notable role due to their number and characteristics.

The higher percentage of seniors in the employed population means that Sweden has the longest duration of working life in all the territories selected. It is 40 years, somewhat above the Netherlands, which comes second with 39.4. The remaining data from the study on the transition between active life and retirement is consistent with this fact. Sweden also has the highest average age of receipt the first pension (63.6). To remain active, 17% of people reduce their rates of activity (surpassed only by the Finnish and Dutch) and because they extend their working life for so long, only 30% of those who receive a pension would have wished to continue working (compared to 41% in the UK or the unprecedented 44% in Spain).

## Highlights:

Strong presence of seniors in the labor market.

The highest employment rates in all groups from 55 years and over.

Stellar role of women in the employed population and particularly in the health and education sectors.

High percentages of "professionals" and those with tertiary education, especially women.

Long duration of working life and high average age of receipt the first pension.

# Legislation

LAW FIRM

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### **AUTHOR**

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# **Subject:**

Labor legislation applicable to workers aged 55 or over

Does the law establish specific labor terms or conditions applicable exclusively to the hiring of workers aged 55 or over by companies (for example, in terms of trial period, severance pay, etc.)?

No, not at the time of hiring. However, workers have the right to maintain their employment relationship until they are 67 years old. Beyond that age, the employer may terminate the employment contract with one month's notice, without just cause, and for either redundancy or personal reasons.

Furthermore, the Government has proposed that the right to maintain the employment relationship should be increased in two stages: by one year, to 68, in 2020 with an additional year, to 69, in 2023.

Can companies enjoy a benefit or bonus in social security contributions or other similar benefits for hiring workers aged 55 or over?

In Sweden, the employer's social security contribution decreases depending on the worker's date of birth.

Worker's year of birth	Percentage	
1937 or earlier		0%
1938-1953		10.21%
1954 or later		31.42%

Does the law impose specific hiring quotas on employers for workers over a certain age? If so, what sanctions can be imposed on companies for non-compliance with these quotas?

No.

Are there any tax advantages for companies that hire workers over 55?

No.

Does the law impose special training obligations that employers must meet when hiring workers aged 55 and over?

No.

Does the law impose special health and safety obligations which employers must meet when hiring workers over 55?

The employer must take age-related considerations into account when evaluating risks, including potential variations in performance and health status. For older workers, the relevant risks are as follows:

- Heavy physical work
- Risks associated with the work shift
- Hot, cold or noisy environments
- Changes in vision

However, since individual differences increase with age, companies should not make assumptions based solely on age. When assessing risks, the demands of each task should be assessed in relation to the person's state of health. Necessary measures must be taken to minimize possible risks by evaluating workers' health status.

What are the legal consequences of dismissal without cause of a worker aged 55 or over?

Under Swedish law, an employer must always claim good cause in order to terminate a contract, regardless of age; see also the answer to question 1.

# What is the legal retirement age? Does reaching the legal retirement age automatically give rise to the termination of employment?

There is no fixed retirement age in Sweden. People can therefore decide to retire starting at age 61, the minimum age at which they are eligible to receive the state pension. However, the employer has the right to require the termination of the worker's employment relationship when the latter turns 67.

Approximately 90% of Swedish workers also receive a professional pension from the employer. Most of them are covered by one of the four main professional pension agreements. The age from which a worker can start receiving the pension depends on each individual contract, starting from the age of 55.

The Government has proposed raising the minimum age for receiving the state pension by one year, from 61 to 62, in 2020 and from 62 to 63 in 2023. In 2026 it will probably be increased to 64.

is it standard practice in collective agreements at any level (that is, country, province, sector or company) to include clauses that favor the hiring of workers aged 55 and over?

No.

is, state, provincial, sector or company) to regulate the early retirement of workers aged 55 or over?

No.

Can workers over 55 qualify for early retirement? If this is the case:

- What requirements must be met?
- Will the amount of the pension be reduced with respect to the amount that would be received when retiring at the legally established age?

See the answer to question 8. In Sweden there is no fixed retirement age, but the worker may not, in any case, be able to start receiving the various pensions.

It is not possible to determine the reduction since the pension depends on the amount of the worker's income over his or her working life. The pension of workers who retire early will be lower, since the pension paid will last for several more years. This means that the monthly payment will be lower. Similarly, the worker contributes to the pension for fewer years.

## Example:

Salary before retirement: SEK 28,000, or approx. €2,600

Pension received at age 65: SEK17,000/month or approx. €1,600

Pension received at 63 years: SEK14,900/month or approx. €1,400

As the pension decreases, the taxes increase, since the taxation of pensions is different from that of salaries. Pensions pay a higher rate of tax. When the worker turns 66, the taxation of the pension decreases slightly. Taxation of salaries will also decrease.

# Do workers over 55 who are dismissed often sue the employer for discrimination?

No.

In the event of a workforce adjustment plan/collective dismissal, can employers randomly choose the employees affected, including those over 55? Is specific protection against dismissal granted to workers aged 55 or over?

First, the employer must investigate if there are vacant positions for them to be relocated to. The redeployment obligation covers only existing vacancies at the time when dismissal negotiations take place, and the worker must be suitably qualified for the position. The investigation to identify vacancies should be carried out across the entire legal entity in which the employee works (including other geographical locations). The legislation also establishes priority criteria based on length of service in the specific geographical workplace. The main rule is that long service workers with will have priority over ones with a shorter service record: this is the "Last In First Out" principle, that is, that the notice of dismissal is addressed to employees with less length of service. When it is necessary to transfer a worker in order for him or her to continue working with the employer, the worker will have priority only if he or she is suitably qualified for the job.

After carrying out this investigation, it will be possible to dismiss workers over 55, depending on the result. Older workers typically have more years of service than younger workers. Many collective agreements applicable to white-collar workers aged 55 or over provide for an additional notice period of six months in the event of a redundancy for those who have worked for the same employer for over 10 years.

What percentage of workers over 55 are unemployed, relative to the overall unemployment rate?

The unemployment rate among workers aged 55-65 is 4.5%, compared to 6.4% for workers aged 15-74.

# **Good Practices**

The first study of senior citizens in the labor market looked at the case of ABB, an electrical and automation engineering company, in Sweden. Three practices were implemented at ABB: "Route 25" and "57 Assessment" (for retaining older employees with great experience and knowledge), "Careers at Consenec" (for filling temporary vacancies at managerial levels and advising and training professionals), and "A secure future" (for guaranteeing a quality future for older employees).

Below are two new cases of good aging practices in this country.

Company	Vattenfall Services Nordic
Revenue	\$473 M
Number of employees	1,721
<b>Business sector</b>	Maintenance services
Based in	Sweden



Company	Vattenfall Ab
Revenue	€16,800 M
Number of employees	20,041
<b>Business sector</b>	Energy
Based in	Sweden

### Context

**Vattenfall AB** is a company founded in 1908 for managing public hydroelectric power plants and which has evolved into one of the largest energy companies in Europe. The company has nuclear, hydro and coal power stations. In addition, **Vattenfall AB** has a subsidiary, **Vattenfall Services Nordic**, a company which provides maintenance services for the infrastructure of electrical production and distribution plants and the electric power grid.

Vattenfall Services Nordic manages the Human Resources strategy of all subsidiaries, as well as their personnel management and restructuring, although each subsidiary is responsible for the implementation of measures of this nature. The company's Collective Agreement maintains that the unions

must be informed about personnel management. At **Vattenfall Services Nordic** this communication is the responsibility of the Cooperation Council, which includes members of the management team and employee representatives, and deals with issues related to:

- The young
- Age management
- Restructuring
- Development of skills

The Cooperation Council meets quarterly and the workers' representatives affirm that the power to influence decisions in people management via these meetings is significant.

# **Objectives**

In the 1990s, the company offered many employees early retirement plans. Consequently, managers began to realize that workers of about 50 years old anticipated another round of early retirement, and they could feel their lack of motivation at work.

So **Vattenfall** decided to launch a specific program to re-motivate employees at work and thus encourage them to remain in their jobs until they reached 65, which they considered should be the standard retirement age. The message they wanted to convey was that working until the age of 65 was not only what was expected of employees at **Vattenfall**, but was also positively valued.

# **Description of Good Practices**

The age management program at **Vattenfall** was articulated around four main axes:

- To motivate the aging workforce.
- To transfer knowledge and skills.
- To establish an internal and external labor market to cover replacements and outplacements.
- To favor a positive opinion of older employees.

In addition to these four axes, two other important aspects to take into account were highlighted in the interviews with managers:

- Team management with a focus on age
- Preventive healthcare

# 1. Seminars 57+

The age management program was launched through a series of seminars called "Seminars 57+," in which 740 workers between 57 and 65 years of age took part (62% of the target of 1,200 people).

The goal of these seminars was to train both workers and their managers in new age management initiatives at **Vattenfall**. Of particular importance was highlighting the contributions of seniors in the company and the importance of transferring knowledge to new generations.

Attendees at these seminars were very satisfied with them as it gave them a feeling of being valued and needed by the company. On the other hand, conveying their knowledge and experience to other employees gave them a new opportunity for professional achievement, since their work and achievements would not be lost when they left **Vattenfall**. Finally, several participants expressed their desire to work until the age of 65, although before the seminars they had planned to retire at 60.

The 57+ seminars turned out to be a success at fairly low cost (approximately €219 per participant), which managers estimate is far less than the gains in efficiency and loyalty of the workforce.

## 2. Leadership with an age perspective

The dissemination of age information to the management team was promoted, broken down into three specific groups:

- Line managers
- Senior managers with older collaborators
- Young managers with older collaborators

The information was disseminated via an explanatory manual on "Leadership with an age perspective." There were also awareness and training sessions on aging and health.

As a result of this training, managers came to better understand the needs of older employees and assimilated the importance of managing teams, taking into account the different situations of each person depending on their age.

### 3. Reduction of working hours: model 80-90-100

With the 80-90-100 model, employees aged 58 or over were able to work:

- With 80% of the workload.
- For 90% of their salary.
- With 100% contributions to the pension plan.

Employees who qualified for this measure were able to apply to their direct supervisors who decided whether to approve it.

Managers were satisfied with this measure since the participants had lower rates of absenteeism due to sickness than the control group, were more motivated, and had better ideas for solving problems. Furthermore, all the interviewees stated that they wished to continue working until the age of 65.

### 4. Knowledge transmission program

**Vattenfall** collaborated with the Royal Institute of Technology in the development of the "Dialogue Method," which would later be implemented into the company's knowledge management system.

100

The method involves structured dialogue with designated secretaries and employees to find and document latent professional knowledge which could be passed on to the next generation. This was done through practical orientation seminars where written case studies were presented and older employees explained the situation and how to respond to it. In this way, knowledge was transferred in two ways:

- Directly to the junior employees who took part in the sessions.
- In writing, thanks to the documents prepared by specialized staff.

This program was especially useful at **Vattenfall** nuclear plants, where the training period for new employees is often five years.

## 5. Resource Management Center

Initially coined as the Senior Resource Pool (SRP), the Resources Management Centre was a relocation and skill-sharing program for project workers.

The initial proposal was that the SRP should be a source of functions and tasks for workers who had difficulties in performing their normal tasks owing to age. The SRP served as a channel for these people to find new functions. Initially, the program was mostly used by middle managers who wished to leave these functions and start devoting themselves to internal consulting projects, but not so much for those with other skills. For this reason, the SRP was converted into the *Resource Management Center*, where all the consulting needs for projects are channeled to determine if the necessary skills exist within the company, thus making the hiring of external services unnecessary.

## 6. Intergenerational composition of work teams

Managers began to take age into account when creating work teams, using a more diverse composition of teams with respect to age. This made it easier for older employees since they could count on the support of younger ones for certain tasks such as heavy lifting.

### 7. Health assessment and rehabilitation

A large-scale screening program was created for work-related injuries. In addition, older employees with potentially problematic injuries were assigned to an intensive rehabilitation program performed by company experts.

On the other hand, annual monitoring of the health status of all employees was carried out.

These measures have resulted in the average retirement age rising from 58 to 63 between 2000 and 2008. Furthermore, the financial crisis of that time, which resulted in 360 jobs being cut at **Vattenfall**, had no effect on the company's age management practices or policies, which demonstrates their strength and usefulness.

Company	Kiruna Municipality
Revenue	\$36.5 M
Number of employees	2,500
<b>Business sector</b>	Public services management
Based in	Sweden



### Context

The municipality of Kiruna, in Norbotten County (northern Sweden), has a population of 23,000 and has mining as its dominant industry, employing approximately 20% of the region's workers.

The territory's public services are managed by the **Kiruna Regional Administration**, led by a body of 45 members elected on behalf of the local Governing Councils. This body designates a County Board to manage municipal services in the following four areas:

- Children and education
- Social services
- Culture and leisure
- Environment and construction

A central support board of directors coordinates activities in the municipality with management and support functions: IT, Financial, Personal and Human Resources.

The central function of Human Resources is to take charge of initiating and maintaining its strategic development, and at the same time, to provide support in terms of labor regulation, hiring, recruitment, working environment, and training. From this, a Human Resources policy is established that lays the foundations for topics such as values, leadership, skills, wages, working hours, working environment, healthcare and well-being, violence, rehabilitation, drugs and alcohol, equality, traffic and age management.

Age management is approached from a leadership perspective, taking into account individual needs and emphasizing flexibility and communication.

Although at the beginning of the 21st century, age management in Swedish local government focused on promoting early retirement, at the beginning of the second decade there was a drastic change. Governments realized that a large number of retirements were looming and that it would be very difficult to replace these jobs, since even professional profiles with more common skills were going to become scarce.

# **Objectives**

In 2010, 92% of the workforce had a long-term contract and the average retirement age was 63.8 years. Almost half of the **Kiruna Administration** workforce was over 50 years old, with an average age of 48.

Management estimated that between 2011 and 2015 there would be around 200 retirements, which made it imperative to manage knowledge in the organization and maintain key skills for the business and its strategic management.

Given the situation, the **Kiruna Regional Administration** wanted to encourage its workers to extend their working life to beyond 65 years.

# **Description of Good Practices**

#### 1. Awareness seminars

In 2003, the **Kiruna Regional Administration** began to actively manage the aging of its employees.

- They recruited the services of external consultants and focused on success stories from other organizations in Finland.
- Interviews with directors and middle managers were conducted to find out what the attitudes and challenges of an aging workforce were.
- On the basis of these findings, several full-time seminars were designed and held, aimed at managers and some union representatives.

During these sessions, problems identified in the **Kiruna Regional Administration** were discussed, awareness of aging was raised, and case studies and academic knowledge on this matter and on the relationship between absenteeism and working conditions were presented. In this way, the seminars explored possible improvements to working conditions, taking into account what was learned in these sessions.

The seminar cycle was later extended to include 60 supervisors, focusing this time on their leadership qualities in an aging environment. In addition, wide-ranging lectures were held for people throughout the county.

# 2. Adaptation of working conditions

As was clear from the original seminars, working conditions are an important factor when considering age management in the **Kiruna Regional Administration**.

Managing the aging workforce is the key axis in the **Kiruna** Human Resources Strategy, focusing primarily on individualized management suited to each case.

Both the working hours and the functions to be performed are adjusted to the needs and capacities of older employees, in order to maximize their activity in the company and extend their working lives as long as possible.

In addition, those employees who wish to remain in the Administration beyond the corresponding retirement age are allowed to work part-time and thus to gradually reduce their workload in the final years of their working life.

## 3. Leadership with an age perspective

Any measure carried out in **Kiruna** regarding the aging of its workforce must be done by the management team with an individualized approach. For this, it is essential for managers to have sufficient skills to manage their collaborators with an age perspective. The company's human resources policy states that managers must have the ability to find individualized solutions that are suited to the strengths and weaknesses of older employees.

This approach is included in a Human Resources policy which stipulates that all workers aged 50 and over must have conversations with their superiors about age management at least once a year.

These conversations are about optimizing the careers of older employees until the end of their working lives. An assessment is made about how this final career stage can be carried out in the company, whether it can be better managed, whether there are health issues or risks and how to treat or prevent them. In addition, an assessment is made as to whether the employee needs additional training, whether he or she is able to carry out new complex tasks, or how his or her role may be structured according to his abilities (for example, whether any tasks should be reassigned). The worker is asked whether he or she wishes to perform new tasks or feels comfortable with the tasks already being performed.

The **Kiruna Administration**'s approach has been one of dialogue and individualization, which has yielded satisfactory results. It is increasingly difficult to find specialized employees with certain skills in the market, which makes it vital to ensure that those who are already part of the company stay for longer. This was achieved by management awareness and training activities.

On the other hand, the legislative change in the country, which changed the normal retirement age from 65 to 67, now allows workers to retire between 61 and 67, but the financial incentives to do so at a later age are significant. Before this, it was normal in the **Kiruna Regional Administration** to retire at the age of 65. No one worked beyond this age and some people negotiated an earlier departure. Now, it is not unusual to see older people, some even into their 70s, continuing to be employed.

# **II.3 POLAND**

# Sociodemographic Report

Poland (population almost 38 million in 2018), like other countries in Eastern Europe, has a worrying demographic. Owing to lower fertility than the European average, it has negative natural growth and its mortality rate is increasing. The difference, though not very great, is exacerbated by a similarly unfavorable migration balance, although not hugely so. With this double effect, the population has declined. In addition, life expectancy is low compared to that of other countries in the sample, especially for men. Perhaps the only comparative advantage is a lower percentage of older people, although this will continue to grow. We have already highlighted some of its most characteristic features when speaking of the four great differentiating models, and have pointed out that in many respects it resembles the Mediterranean model, which is quite different from the Nordic model and that of the other countries of Central-Western Europe.

Undoubtedly because it started from a lower base, the country has experienced strong growth in the active and employed population of seniors. But this is where there has been most growth (71%), mainly because of older working women, who have increased by more than 100% compared to only 54% of men. Despite this, the percentage of older employees among total employees is low (17% in 2017, although six points higher than in 2009) with women having a 16 point advantage over men. Together with Italy, it has the lowest relative participation of women among seniors, although there has been a huge decrease in this difference (37 points between 2008 and 2017).

This growth has improved employment rates from the age of 55, but the numbers for Poland are still among the lowest in the sample, together with Italy and Spain. The rate for the 55 to 59 age group is only 64% (Spain 61% and Italy 63%) and in the 60 to 64 age group the rate is only 33%, lower than both Spain (38%) and Italy (40%). In contrast, the unemployment rate (4%) is one of the lowest, particularly among women (3%).

We do not have any data regarding self-employment of seniors, but we do have information on partial employment, which at only 13% is very low, comparable once again to Spain and Italy.

A clear peculiarity of the Polish model is the distribution of the population in general, and that of seniors in particular, by major economic sectors. Fifteen percent of older workers are still in the primary sector, which is well above that of other countries. The percentage in the secondary sector is also higher (21%), somewhat more, in this case, than for Germany, and as a consequence of both circumstances, the low Polish number in the service sector stands out, where only 57% of seniors work (primarily in the commerce sector). There is

a greater presence of men in the agrarian and industrial sectors. Women are more concentrated in the areas of healthcare and education.

Regarding occupation, the group of craft and related trades workers is most prominent among men, while for women it is that of professionals, technicians, salespeople, but also elementary occupations.

Of all the countries Poland has the smallest percentage of seniors with basic education (7%) but on the other hand the largest percentage with higher secondary education (71%) and the smallest with tertiary education (22%). The country has traditionally made a great effort to generalize secondary and vocational education, but it still has a deficit of university students and has a long way to go compared to other EU countries.

Perhaps due to the greater presence of workers in the primary and secondary sectors and the greater burnout related to these professions, the average working life is short. At 30 years, it is the shortest of all the countries selected. It is therefore not surprising that the receipt of the first retirement pension should be the relatively early average age of 57, which is also the lowest of the nine countries. Around 44% of people who receive an old-age pension retire early; particularly men (53%), since women do not do so as frequently, which probably has to do with the higher percentage of women with secondary studies.

The percentage of people who reduce their rate of work as they approach retirement (10% compared to 21% in the Netherlands) is not very high either and only a few (7.4%) of those who are already receiving a pension would have liked to continue working. The main reason for giving up work is reaching retirement age.

### Highlights:

Strong growth in the active senior population, especially in the case of women.

Low percentage of seniors in the total employed population.

Low participation of women in the total employed senior population.

Low rates of employment in all groups aged 55 and over, but low unemployment rates.

A still significant presence of workers in the primary and secondary sectors.

Short duration of working life.

Early average age of receipt of first retirement pension, high percentage of early retirement and relatively low number of people who would have liked to continue working.

# Legislation

LAW FIRM

Raczkowski

July 2019

#### **AUTHOR**

Katarzyna Sarek-Sadurska Tomasz Kret, Anna Chojnicka

# Subject:

Labor legislation applicable to workers aged 55 or over

Does the law establish specific labor terms or conditions applicable exclusively to the hiring of workers aged 55 or over by companies (for example, in terms of trial period, severance pay, etc.)?

Specific terms and conditions apply in Poland to the employment relationship of those of 55 and over with regard to retirement age (60 for women and 65 for men):

# a) Protection against dismissal

The employer may not terminate the employment of any worker who will reach retirement age within the next four years. Should this protection be

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violated, the worker may demand their return to work with full payment of the salary lost in the intervening period.

This protection can only be waived in the event of bankruptcy or liquidation of the company. Elimination of the job position is not enough.

# b) Only in specific circumstances is it possible to notify a modification of working conditions in the period prior to retirement

The employer may only modify the working conditions of a worker who will reach retirement age within the next four years when this is justified by: (i) adoption of new remuneration rules that affect all workers of a specific employer or the group of workers to which the worker in question belongs; (ii) loss of the worker's capacity to perform the existing type of work, confirmed by a medical certificate, or loss of the necessary qualification to perform a specific job, where this is the fault of the worker.

# Can companies enjoy a benefit or bonus in social security contributions or other similar benefits for hiring workers aged 55 or over?

The employer is exempt from the obligation to pay social contributions to the Labor Fund (2.45%), the Employee Benefits Guarantee Fund (0.10%) and the Solidarity Fund (0.15%) on the remuneration paid to female workers over 55 and male workers over 60.

This same advantage applies to any employer hiring a person over 50 who has been unemployed for at least 30 days before the start of the employment relationship. However, in this case the advantage will only be applicable for the first 12 months of the employment relationship.

In the case of workers over 50 years of age, the employer is only obliged to pay sickness benefit, in each calendar year, for the first 14 days of leave (compared to the case for younger workers, where the employer pays sickness benefit, in each calendar year, for the first 33 days). From the fifteenth day onwards, this obligation is assumed by the Social Security Institution.

Does the law impose specific hiring quotas on employers for workers over a certain age? If so, what sanctions can be imposed on companies for non-compliance with these quotas?

No.

Are there any tax advantages for companies that hire workers over 55?

No.

Does the law impose special training obligations that employers must meet when hiring workers aged 55 and over?

No.

Does the law impose special health and safety obligations which employers must meet when hiring workers over 55?

No.

# What are the legal consequences of dismissal without cause of a worker aged 55 or over?

- The general rule will apply: a worker with a long-term contract may file a lawsuit against the company for termination without notice. If the dismissal is not duly justified, the court may order the employee to return to work or, alternatively, may award him or her severance pay (up to three months). The court is not obliged to order the reinstatement of a worker who does not enjoy special protection; in case of reinstatement, the worker will receive just one month's remuneration.
- In the case of a worker with special protection (4 years before retirement), reinstatement must be ordered and the worker will receive remuneration corresponding to the entire period of unemployment (in practice, all salaries during the processing of the judicial procedure).
- Any worker enjoying special protection may be dismissed without notice for serious breach of basic labor obligations.

# What is the legal retirement age? Does reaching the legal retirement age automatically give rise to the termination of employment?

The retirement age in Poland is 60 for women and 65 for men. Reaching retirement age does not automatically result in the termination of employment.

Is it standard practice in collective agreements at any level (that is, country, province, sector or company) to include clauses that favor the hiring of workers aged 55 and over?

This is not very common. Collective agreements are not widespread in Poland and only exist in the public sector or in companies that were formerly state-owned.

is it standard practice for collective agreements at any level (that is, state, provincial, sector or company) to regulate the early retirement of workers aged 55 or over?

No.

Can workers over 55 qualify for early retirement? If this is the case:

- What requirements must be met?
- Will the amount of the pension be reduced with respect to the amount that would be received when retiring at the legally established age?
- Early retirement of employees working in hazardous conditions ("pension bridge benefit")
- Workers may qualify for early pension provided that: (i) they have reached the age of 55 (in the case of women) or 60 (in the case of men); (ii) they have worked in dangerous or hazardous conditions for at least 15 years; (iii) they can prove that they have worked in dangerous or hazardous conditions before January 1, 1999 and after December 31, 2008; (iv) they can prove that they have completed contributory and non-contributory periods of at least 20 years (for women) or 25 years (for men); (v) their employment relationship has ended.
- More favorable rules apply to certain workers, such as (i) aircraft cabin crew, (ii) railway drivers, (iii) miners, and (iv) steel industry workers. In such cases, the qualifying age for the pension bridge benefit is lower for both men and women. In addition, the number of years required is lower in the case of working in dangerous or hazardous conditions.
- The amount of the bridge pension (granted for working in dangerous or hazardous conditions) is set individually for each insured person, depending on the number of years worked and the contribution period, among other things. Therefore, it is impossible to determine whether the early pension is more or less beneficial. In any case, the longer the period worked, the greater the amount of the pension.

Do workers over 55 who are dismissed often sue the employer for discrimination?

No.

In the event of a workforce adjustment plan/collective dismissal, can employers randomly choose the employees affected, including those over 55? Is specific protection against dismissal granted to workers aged 55 or over?

In the event of collective dismissal: any worker who will reach retirement age within a maximum of four years is protected against dismissal, and the employer may only notify him or her of the working and remuneration conditions in force up to that time. This exception applies also to dismissals made in the context of bankruptcy proceedings or on the occasion of the liquidation of the company.

What percentage of workers over 55 are unemployed, relative to the overall unemployment rate?

Those over 50 represent 27.2% of the unemployed in Poland (there is no specific information about those over 55).

## **Good Practices**

No cases from Poland were included in the first study on senior citizens in the labor market. Two cases of good aging practices in this country are given below.

Company	Dartex
Revenue	Unknown
Number of employees	35
<b>Business sector</b>	Textiles
Based in	Poland



#### Context

**Dartex**, founded in 1991, is dedicated to the production of textile products, in particular the manufacture and packaging of swimwear.

The company works only one shift, from 8:00 a.m. to 4:00 p.m., Monday to Friday, to facilitate family life and avoid an overload of work. When situations arise which demand a greater workload, **Dartex** hires temporary staff instead of adding more shifts.

Furthermore, the company is concerned with making the working environment as convenient and pleasant as possible, providing free Wi-Fi access, changing rooms with lockers, a fully equipped kitchen and a break room.

Workers spend most of their time seated, due to the nature and small number of their duties. Most tasks are manual and require repetitive movements (for example, picking up and handling fabrics), as well as transporting such materials from one workstation to another. This type of repetitive movement imposes an additional physical strain on employees, which in the long term contributes to the development of injuries and musculoskeletal problems. Furthermore, continuous exposure to noise and vibration is a contributory factor to worker absenteeism, and constant concentration can lead to vision problems and stress.

These complications lead to loss of precision in the performance of tasks, which in turn results in defects and lower quality products, affecting the final customer and possibly leading to financial losses for the company.

## **Objectives**

The company posed itself three fundamental questions to solve the health problems to which its employees were vulnerable, especially the older ones.

- How could the work at and between workstations be better organized?
- How could the number of complaints be reduced?
- How could exposure to occupational factors putting health at risk be reduced?

In response to these questions, it was planned to implement risk prevention measures related to musculoskeletal health in order to facilitate the improvement of working processes and the reduction of sick leave. This is how **Dartex** hoped to maintain the health of company employees for longer and to extend their working lives.

### **Description of Good Practices**

**Dartex** identified existing organizational and health problems in the workplace and subsequently consulted its employees to suggest possible solutions.

#### 1. Occupational health

In accordance with Polish labor legislation, **Dartex** hires the services of an Occupational Medicine Unit which is in charge of the medical check-ups of employees.

For these check-ups, special emphasis is placed on the health of sewing workers with regard to their exposure to noise and visual fatigue.

On the other hand, when new candidates are hired, it is the practice to evaluate whether any occupational factors are a risk to their health.

#### 2. Ergonomic intervention

#### a) Initial evaluation

A detailed evaluation of each physical workstation was made and several conclusions were reached. For sewing workers, it was difficult or inefficient, from the point of view both of posture and job time management, to pick materials or garments up from the floor and transfer them from one workstation to another. These tasks were forcing them to lean or turn sidewards and continually turn around. On the other hand, sewing workers were spending a lot of time walking from one workstation to another to transport material and garments, which was not very productive in the long run and also increased the risk of these workers suffering falls.

#### b) Ergonomic and work process measurements

After evaluating the workstations, **Dartex** decided to invest in organizational improvements by taking the following measures:

- Tables were installed between workstations so that the sewing workers could throw and push garments between them.
- A "basket system" was created with a maximum weight of three kilograms to store and move products around the facilities. In this way, the weight handled by sewing workers was greatly reduced. In addition, the baskets were stacked next to the workstations so that employees could reach the materials at arm height instead of having to lean downwards.
- Two carts were purchased for carrying multiple baskets and avoid overloading workers.
- A multi-function cart (produced by a blacksmith) was designed to make it easier to load and unload supplies from suppliers.
- A five-position hydraulic chair was installed at each workstation.
- Brushes and dustpans were replaced with compressed air cleaning systems so that sewing workers could more easily clean their workstations. In addition, this system meant that it was easier to remove the remains of fabrics and material from the floor, which reduced the risk of slipping and falling over.
- The figure of the supervisor was introduced to organize and supervise the work, but also to act as an intermediary between the company and the workers.

#### c) Changes to the lighting

Dartex realized that its employees tended to comment that customer complaints regarding product quality could be due to the poor quality of lighting in the facilities, which affected the precision

of sewing workers in the final touches in the garment manufacturing process. So two additional types of lighting were installed at each workstation: ceiling lamps and individual spotlights with bulbs emitting light which did not tire their eyes.

#### d) Noise and vibration

The existing sewing machines were replaced with newer ones with better motors and which produced less noise and vibration.

#### 3. External audits

The company has undergone external audits every month since 2010 to ensure that:

- the established standards for the prevention of occupational hazards are complied with and the state of workstations checked;
- working conditions are checked systematically; and
- employees are aware of all changes in the legislation for the prevention of occupational hazards and the necessary measures taken in the company.

As a result of these ergonomic and organizational measures:

- Falls, accidents and sick leave at **Dartex** were significantly reduced.
- People's exposure to noise and vibration from sewing machines was also reduced.
- The risk of musculoskeletal problems was reduced by lightening the weights that people carried.
- The precision of product quality controls was increased, which led to a 70% reduction in the number of customer complaints.
- The reduction in sick leave and the increase in employee motivation due to organizational improvements also meant that their job expectations were more likely to be met.

These improvements in health are especially important for older people, since when they suffer accidents or become ill, they tend to be off work for longer than their younger colleagues.

On the other hand, it is common in industrial settings for employees to retire earlier than the usual age due to disability. So by improving general health conditions and optimizing risk prevention, these sick leaves and early retirements can be avoided or delayed, extending workers' useful working life.

Company	Spolczna Akademia Nauk
Revenue	Unknown
Number of employees	35
<b>Business sector</b>	Education
Based in	Poland



#### Context

**Spoleczna Akademia Nauk (SAN)**, or the University of Social Sciences, is a private academic institution founded in Lodz (a city in central Poland) in 1995 by the Association of Polish Educators. In 2005, **SAN** had some 9,000 students per year enrolled at one or other of its five faculties: Business Administration and Marketing, International Relations, Finance and Banking, Computer Science, and Philology.

In addition to teaching activities, the University devotes its resources to research in various subject areas and the results of its studies have been published in different specialized media. Additionally, the University organizes scientific conferences and symposia with research organizations both in the country and beyond its borders.

Competition between private and public universities is a problem for the former—which seek to recruit highly qualified teaching staff—owing to the different levels of job security and prospects for professional development in research, which is more favorable in public universities than in their private counterparts.

Furthermore, the growing interest in higher education in Poland since the 1990s had led to a demand for teachers at the country's universities. Given the length of the training period for academic staff able to teach at universities, it was difficult to find younger professionals to respond to this growing demand in education. For these reasons, senior talent is very attractive to these private institutions.

#### **Objectives**

In the early 2000s, **SAN** tried to obtain accreditation to be able to offer PhD degrees in economics at its centers. To achieve this, they had to meet a series of demanding requirements from the Ministry of Education, especially concerning the professionals working at the center.

### **Description of Good Practices**

#### 1. Recruitment of retired teachers

Educational professionals are not allowed by Polish law to work full time at a public university beyond the age of 70.

On the other hand, there are usually no age limits at private centers. This, combined with the accreditation requirements imposed on private universities

by the Ministry of Education for them to be able to offer bachelor's, master's, and doctoral degrees, is an important incentive for them to employ senior citizens as lecturers. In turn, such people, with their considerable professional experience, are attracted to this type of center for financial reasons.

Given this situation, the benefit was mutual, since the universities needed qualified professionals who, upon reaching retirement age, found that their financial situation was not favorable for them to leave the labor market.

The main reasons for hiring older teachers in private centers were as follows:

- Private universities needed to meet the requirements for accreditation that would allow them to offer bachelor's, master's, and doctoral degrees.
- There was increasing pressure from graduates of private universities to obtain expert knowledge at a level of depth that only highly experienced teachers could provide.

On the other hand, there also were factors of a legal and economic nature that encouraged retired teachers to want to return to work and to do so in private centers:

- the fact that retired teachers aged 70 and over could not legally hold full-time teaching positions in public institutions; and
- the low level of financial retirement benefits, which forced retirees to supplement their income.

This was a very important factor in encouraging senior teachers to agree to work full time: the financial compensation they receive in return. Since the mid-1990s, the Polish pension system has stipulated that retirement benefits may not exceed 2.5 times the country's average base salary, which in practice means that these benefits rarely exceed 1.3 times the average salary. This level of income is insufficient for highly qualified teachers, who feel obliged to supplement their income by working at advanced ages.

### 2. Flexible hiring models

This type of opportunity is possible thanks to the fact that current legislation regarding public universities does not forbid teachers from working simultaneously for several universities.

In turn, the internal regulations of private centers do not usually require that their professionals retire at the age of 70.

Bearing in mind that teachers over the age of 70 could not hold a full-time place in the public university, but were able to supplement their income with positions in other universities, **SAN** offered part-time positions to those older teachers who were still working in a public institution.

If, on the other hand, these older employees were already retired, they were offered a full-time position at the center.

## **II.4 GERMANY**

# Sociodemographic Report

With 82.7 million people, Germany is the most populous country in the EU and one of the most influential from an economic, political and territorial point of view. It accounts for over 16% of the EU-28 population but it is affected by a demographic weakness resulting from its negative natural growth and by having the second highest number of aging people (21.4%) after Italy (22.6%). In contrast, it has the most favorable migratory balance, and this compensates for the constraints of its internal growth.

During the 2008-2017 period, the population of both active seniors and employed seniors grew significantly, in absolute terms. The latter stands at 3.4 million, representing an increase of 58%, which, though significant, is less intense than that of Poland (71%) or Italy (65%). At 22.3%, Germany is the country with the highest percentage of seniors in the overall employed population. As in other countries (indeed, in all of them), there are more women among the active and employed group than men, which has led to a reduction in the difference between each gender in the set of active and employed people. However, men still outnumber women (54% vs. 46% women).

As for employment, Germany has the highest rate of all, after Sweden, with 80% in the 55-59 group and 58% in the 60-64 group. In the 65+ group, it is outnumbered not only by Sweden by also by the United Kingdom. In addition, Germany has the lowest unemployment of the 28 EU countries, with a rate of 3% in the 55-64 age group, and with slightly fewer women than men. From 2008 onwards, unemployment fell by five points for both men and women. All forms of senior work are growing, including self-employment, and around 35% of active seniors work part-time, which is the third highest value in the sample after the Netherlands and the UK. The country also has the smallest number of temporary employees (5.2% of total employees), well below both Italy and Spain (10.2% and 12.8% respectively). By major economic sectors, it has, together with the United Kingdom, the lowest percentage in the primary sector (2%), the second highest value in the industrial sector (19%) after Poland (21%), and a somewhat lower presence of seniors in the tertiary sector (72%), below almost all the other countries except, once again, for Poland (57%). The main areas of activity for seniors are industry in general and, within tertiary activities, commerce, transport, and healthcare and social work. For men, the highest rates are in industry and commerce and whereas women are more active in the healthcare sector. By occupation, the highest figures for men are in the professional and technical sectors, and for women in the technical, clerical and commercial sectors, where—together with elementary occupations—women outnumber men.

By educational level, there are relatively few seniors with only elementary and lower secondary education (11%), the second lowest number after Poland; many with upper secondary education (60%), the second highest number after Poland, and around 31% with tertiary education, an average value between Finland's 45% Italy's 20%. In the latter case, men have a higher percentage (36%) than women (25%).

The duration of working life is long (38.4 years), not far behind that of Sweden, the Netherlands and the UK. This indicates a moderate number of early retirements, although Eurostat does not provide any quantitative data. The German model of activity is characterized by the culture of full time work until retirement, which is also later than in other EU countries and has high doses of productivity and efficiency in the collective imagination which are borne out by reality. The percentage of workers receiving a pension who would have liked to continue working is not very high (23.8%) precisely because of this high average duration of working life. In any case, it is significant that people who do leave work attribute doing so mainly to health or disability reasons.

#### Highlights:

The highest growth in absolute terms of the active and employed senior population.

The country with the highest representation of the elderly in the overall employed population.

High activity and employment rates in the 55-59 and 60-64 age groups.

The lowest senior unemployment rate among the countries analyzed.

The smallest percentage of temporary employees in the total number employed.

Significant presence of seniors in the industrial sector.

DATE
July 2019

Significant presence of workers over 55 with higher secondary education. Intermediate level of workers with tertiary studies.



# Legislation

LAW FIRM
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**AUTHOR** 

Markus Janko

#### **Subject:**

Labor legislation applicable to workers aged 55 or over

Does the law establish specific labor terms or conditions applicable exclusively to the hiring of workers aged 55 or over by companies (for example, in terms of trial period, severance pay, etc.)?

No, not specifically. However, there are certain specific rules concerning subsidies/training measures for employees over 50, which are financed by local authorities (they are very rarely used; see answer two for more information). Similarly, collective agreements may include specific provisions. However, according to the General Law of Equal Treatment, it is incumbent on employers to prevent age discrimination (among other types). Therefore, the employer has a general obligation to adopt measures that prevent discrimination based on age.

Can companies enjoy a benefit or bonus in social security contributions or other similar benefits for hiring workers aged 55 or over?

- Employers have the option of receiving a so-called integration subsidy if they hire a worker who, for personal reasons, has greater difficulties finding a job (Article 88 of the German Social Code, Part III). This integration subsidy is also paid when hiring workers over 50 years of age. Payment is at the discretion of the Employment Agency. If the requirements

are met, the subsidy may be as high as 50% of the salary and can be paid for 36 months.

- In addition, workers over 50 who are currently unemployed have the possibility of receiving an integration subsidy, paid by the Employment Agency, together with the salary they receive from a new employer. To receive the subsidy, the worker must be entitled to unemployment benefits for a further 120 days and, in addition, there must be a difference of €50 between his or her current salary and his or her previous salary. The integration subsidy consists of a salary allowance and an additional contribution to the compulsory retirement insurance. In the first year after entering the job, the subsidy amounts to 50% and in the second year, 30% of the net monthly salary difference (Article 417 of the German Social Code, Part III).

Does the law impose specific hiring quotas on employers for workers over a certain age? If so, what sanctions can be imposed on companies for non-compliance with these quotas?

No.

Are there any tax advantages for companies that hire workers over 55?

No.

Does the law impose special training obligations that employers must meet when hiring workers aged 55 and over?

No, not specifically. However, according to the General Law of Equal Treatment, it is incumbent on employers to prevent age discrimination (among other reasons). Therefore, the employer has a general obligation to adopt measures that prevent discrimination based on age.

Does the law impose special health and safety obligations which employers must meet when hiring workers over 55?

In general, the employer is obliged to take into account and protect the legitimate rights and interests of the worker. The way that protection is configured depends on the individual case. There may also be specific sector-specific obligations.

# What are the legal consequences of dismissal without cause of a worker aged 55 or over?

There is no special protection against dismissal based on age. However, the age and duration of the employment relationship are normally taken into account in the context of the procedure for protection against dismissal. Similarly, age and length of service must be taken into account for the purposes of the period of notice. On the other hand, social plans may establish special rules on the severance payments of compensation to older workers.

# What is the legal retirement age? Does reaching the legal retirement age automatically give rise to the termination of employment?

For workers born after 1964, the standard age limit is 67. Workers born before January 1, 1947 reach retirement age when they turn 65. For workers born between 1947 and 1966, the standard retirement age gradually increases.

No, but normally this issue is agreed in individual employment contracts or collective agreements.

Is it standard practice in collective agreements at any level (that is, country, province, sector or company) to include clauses that favor the hiring of workers aged 55 and over?

No, this is not standard practice, but there are exceptions, to the special protection of older workers against dismissal, for example.

Is it standard practice for collective agreements at any level (that is, state, provincial, sector or company) to regulate the early retirement of workers aged 55 or over?

There is no single answer to this question. Some collective agreements include provisions concerning early retirement. Some companies, especially in the metallurgical and electrical sectors, also have their own retirement models. Often a one-time payment is made at the end of the employment relationship.

Can workers over 55 qualify for early retirement? If this is the case:

- What requirements must be met?
- Will the amount of the pension be reduced with respect to the amount that would be received when retiring at the legally established age?
- Workers who reach the standard retirement age and have completed 35 years of work may retire at age 63.
- Yes, this leads to a reduction in the monthly pension.
- According to Book III of the German Social Code, workers who have reached the age of 55 and who have worked for at least 1080 calendar days over the five years prior to the start of part-time work for older employees, can apply to their employer to work part-time for up to six years. The employer may deny the request for operational reasons.

# Do workers over 55 who are dismissed often sue the employer for discrimination?

Since age does not constitute a cause for dismissal nor for protection against dismissal, workers do not usually file dismissal claims, but rather claims for general protection against dismissal. Not surprisingly, the courts take into account the age of the worker.

In the event of a workforce adjustment plan/collective dismissal, can employers randomly choose the employees affected, including those over 55? Is specific protection against dismissal granted to workers aged 55 or over?

No, in the event of collective dismissal, the fundamental consideration is social selection. In this context, age and duration of the employment relationship play a decisive role.

What percentage of workers over 55 are unemployed, relative to the overall unemployment rate?

There are differences between sectors and regions. The unemployment rate in Germany in relation to how long it takes to find a new job normally increases significantly for workers aged 55 and over.

## **Good Practices**

In the first study of senior citizens in the labor market, we looked at the cases of BMW (an automotive company), which conducted a pilot study in one of its factories, and Loewe (a technology and electronics company). In the BMW pilot group, certain ergonomic elements were adjusted to suit senior citizens and the productivity results were studied. Below are two new cases of good aging practices in Germany. On the other hand, Loewe introduced four practices in the field of aging, related to skill development and management, the rotation of final assembly work, the enrichment of manual assembly work, and the promotion of health in the workplace.

Company	Daimler
Revenue	\$167,362 M
Number of employees	298,683
<b>Business sector</b>	Car manufacturing
Based in	Germany



#### Context

**Daimler**, a multinational automotive company, was founded in 1926 under the name Daimler-Benz. Following the acquisition, and subsequent spin-off, of Chrysler Corporation, the company was eventually renamed **Daimler AG** in 2007. It is currently based in Stuttgart (Germany) and its best-known brand is Mercedes-Benz.

One of its most important factories is in Bremen, in Northeast Germany. This plant was founded in 1938 and employs around 12,000 people, making it the largest private employer in the area and the main manufacturing plant for Mercedes-Benz C-class vehicles.

In the 1980s, a significant increase in production capacity led to the hiring of large numbers of young people between the ages of 20 and 25.

Although production capacity in the Bremen plant continued to grow, the hiring of new labor decreased over time, owing to improved efficiency of the manufacturing process. The combination of the reduction in hiring and the homogeneity in the age of the workforce caused the average age of the workforce to increase.

In 2000, with 16,000 employees, the average age at the factory was 38.6, whereas in 2008 it had already increased to 44 and was expected to continue upwards, with a forecast that it would reach 47.5 by 2010.

On the other hand, the main reason for temporary disability leave was injuries related to posture and the musculoskeletal system, a type of injury that becomes more frequent and problematic with age.

### **Objectives**

Forecasts of the increase in the average age of the workforce at the Bremen factory prompted the company to consider the effects of this increase on the performance of production line employees, especially in relation to their physical capabilities. These skills were measured on the basis of their general health, the number of work-related accidents or injuries (for example, back problems), and the proportion of employees with health problems affecting their employability.

Taking this into account, the plant's management set out to implement a series of measures to protect the physical integrity of its workers and thus maintain their productive capacity and allow them to keep adding value to the company.

But the challenge of an aging workforce is not limited to the Bremen factory. In addition to analyzing, preventing and mitigating the effects of aging on the productive capacity of the personnel, **Daimler** considered older workers to be part of a social reality in Germany which had to be taken seriously. That is why, in 2018, the automotive company decided to tackle the difficult task of sensitizing all its employees with a global campaign in the company to try and change attitudes and prejudices about older workers.

#### **Description of Good Practices**

#### 1. The Bremen factory

#### a) Kraftwerk Mobil

A mobile device was installed at the factory to train the muscles in the back and abdomen, in order to improve their strength and flexibility. The intention was to prevent back injuries, which accounted for a third of the health problems affecting production line personnel.

Training sessions with the "Kraftwerk Mobil" lasted ten minutes and were held during the working day. Since it was a mobile device, it was moved to the production line and was under the constant supervision of a qualified trainer. This meant that taking part in the program was extremely convenient and minimally invasive for the performance of the workers' duties: the training session was of short duration, they did not have to leave the area and their position was filled by somebody else during this short period.

A computer program monitored both baseline fitness and progress over the 14 weeks of training. At the end of the training period, the program was modified to maintain the results for a further 26 weeks.

This program achieved its goal of preventing musculoskeletal injuries, with the added benefit of improving the participants' working environment and motivation.

#### b) Fit Shop

In 2006, the Fit Shop, a multi-modal and multi-dimensional health and fitness center for workers, was installed right in the middle of the factory. In it are various professionals such as physical trainers, psychologists, doctors and physiotherapists, who contribute to creating both preventive and therapeutic programs in occupational health. In the plant, 40% of sick leave was due to posture and musculoskeletal problems, and there was a positive correlation between age and the number of injuries of this type.

Fit Shop proved to be a good approach for dealing with and preventing this type of problem. The great advantage of the healthcare center was that it dealt with everything in just one place, so employees did not have to worry about going to different professionals: they had their own program in the workplace, suited to their personal circumstances.

#### c) Ergonomics

At the Bremen factory, three ergonomic tools were used.

A guide was created to integrate workers with physical limitations, designed to match the requirements of jobs at the plant with the physical capacities of the workers, a process in which the Human Resources Department took an active part. Jobs were analyzed according to the required body posture and how long it had to be maintained.

Another tool used in the factory is SAK (*System zu Analyze von Körperhaltung*), a computerized system for analyzing posture. This enabled an ergonomic index to be calculated on a rigorous scientific basis.

The third tool used was EAB (*Ergonomische Arbeitplatz Beurteilung*), the "Job Evaluation," which was very similar to SAK. What EAB offered was a visual representation of the job relative to ergonomic factors using a colored traffic light: green (good), yellow (some problems) and red (job with problems).

These ergonomic measuring instruments made it possible to assign people with physical limitations (of whom there are more and more as the average age of the workforce increases), to positions where they could still add value to the company.

#### d) Job rotation

The Mercedes-Benz production system (MPS) implemented frequent job rotation to promote task diversity, vary physical demands on workers and broaden their professional skills.

Despite the fact that rotation is a good way to avoid excessive repetitive tasks and the injuries they cause, the increase in the age of the workforce was an obstacle to its proper implementation. The increasing age of workers meant that the number of those with physical limitations that allowed them to work in different jobs also increased. For this reason, the rotation system had to be adapted to the demographic profile of the plant.

#### e) Demographically oriented relocation

Each product has a life cycle which requires different production capacities in its various stages. In the final stage, the product is much less labor-intensive, and employees must be relocated to other production lines that require more capacity.

To avoid creating demographically disproportionate profiles on production lines, the company not only mobilizes younger employees, but also moves to a group with a more demographically heterogeneous group model.

#### 2. Daimler

Although the initial case of the Mercedes-Benz factory in Bremen is remarkable, the parent company, **Daimler AG**, continues to strive, years later, to adapt the business to the reality of its aging workforce.

#### a) Sensitization: Intergenerational workshops

**Daimler AG** launched a global campaign at the company to fight bias and prejudice about older workers. Examples of negative attitudes about the senior collective, such as assuming that they are slower, are always getting sick, and are forgetful or inflexible.

To fight this, **Daimler AG** created a session attended by 2,500 factory managers and 80,000 workers in total. In addition to the session, the company implemented demographic audits to promote dialogue between employees and supervisors about intergenerational cooperation.

This session was so successful that the company held an exhibition open to the public in Berlin with a variety of activities such as tests for memory, balance, teamwork, and ones that measured physical abilities such as grip strength and how high people could jump. The exhibition had a very striking entrance: there were two doors, one marked "Young" and the other marked "Old," which immediately put visitors in the age paradigm mindset.

At the end of the experience, people came out knowing about their three ages: their real age, their biological age (in terms of capacity), and their years of life experience; these three numbers can be very different from each other. Thanks to this, people were sensitized about the various capacities and benefits that generational diversity brings to the world of work.

### b) Other measures

In addition to these awareness measures, there were others for managing workforce aging and promoting intergenerational collaboration:

- Corporate video channel: where the most experienced workers could upload tutorials about complex processes and thus transmit their knowledge to younger generations;
- Tool-making training program: whereby employees over 50 years of age trained adolescent apprentices in this skill;
- Ergonomics: innovative new tools such as an exoskeleton to reduce muscle overload in certain jobs;
- Flexibility: a new system whereby shifts could more easily be swapped to allow older employees to start working part-time as they approached retirement age and to hire retired people to meet the demands of short-term projects.

Company	KSB
Revenue	\$2,690 M
Number of employees	15,713
<b>Business sector</b>	Industrial
Based in	Germany



#### Context

KSB is a manufacturer of hydraulic system pumps and valves for both private and industrial use. The company was founded in 1871 in Frankenthal (Germany), where it is still head-quartered, and the international group currently operates on all continents and employs over 16,000 people, 3,000 of whom are involved in the inspection, maintenance and repair of systems, spread across 170 service centers.

In the first decade of this century, job vacancies at **KSB** factories and centers in Germany was growing fast and the German company had no problem recruiting and hiring the right personnel. In those days, **KSB** employed 4,500 people in the country, with 1,700 in Frankenthal alone.

By the end of the decade, around a third of the workforce at **KSB** headquarters was over 50, the average age was 42, with an average length of service of 19 years. The proportion of older employees was highest in non-manual work (clerical, marketing, sales, etc.) as the growth of the company meant hiring more young people as trainee-apprentices and junior qualified personnel, which in turn made the age profile of the workforce more balanced. However, the aging of the workforce continued to pose challenges for the company.

### **Objectives**

Because many employees did not want to stay at **KSB** until retirement age, the company was forced to take action.

On the other hand, there was a problem concerning the social perception of older people in **KSB**, since they were seen as blocking young people's access to jobs.

Management's concern that talent (especially knowledge and experience) could drain from the company, by means of employees retiring prematurely, forced them to take action.

**KSB** explored new ideas on how to motivate and retain employees, while developing and recycling their skills for the growing needs of the market.

The company secured collaboration and funding from the Rhineland-Palatinate Ministry of Labor, Social Affairs and Family to develop a specific program for older people in the company.

### **Description of Good Practices**

#### 1. Program for older employees

To kick off the project, **KSB** launched a survey and held two workshops with the company's older workers in order to learn about their concerns and jointly design measures to increase their level of motivation at work.

This phase of the project was supported by a global communications campaign in the company, to motivate the target group to take part and to show **KSB**'s interest in them.

Following the workshops and the survey, a program was created with a series of measures specifically designed for seniors. The older employee program included the following measures:

- Personal evaluations and career advice within the company
- Workplaces with an age perspective
- Providing specific training
- The opportunity not to do night shifts
- Flexible timetables
- Mentoring programs to transfer knowledge to other generations and lighten the workload of older employees
- Medical check-ups
- Salary security methods in the event of job reassignment
- Preparation for retirement

The program was very successful and the number of employees who were interested in staying at **KSB** for longer increased considerably.

## **II.5 THE NETHERLANDS**

# Sociodemographic Report

The Netherlands is a small country in both territory and demographics. It has 17 million people, just 3.3% of the population of the EU. It has a fertility rate (1.62%) above the European average, although far from that would be needed to renew its generations. Despite this, it has positive natural growth reinforced by an even better migratory balance thanks to which the Dutch population continues to increase. Dutch citizens' life expectancies are at the European average and the aging index (18.9%) is slightly below that average (19.7%). It is one of four countries in the sample (the others are Sweden, France and the UK) in which both growth rates (natural and migratory) are favorable.

As in the other countries studied, the Netherlands experiences positive growth in both the active and the employed populations (around 45%). And as in all of them, the increase is more marked for women than for men (60% in the employed population vs. 36%, respectively). The representation of seniors in the total employed population is also growing, standing at 20% (five points higher than in 2009). A peculiarity of the Dutch situation is the disparity in the participation of men and women in the whole of the elderly population (59% and 41%, respectively) even though the differences have been greatly reduced; in 2008 the percentages were 62% and 38%. By age, Dutch rates are high in the 55-59 age group (75%), sharing the lead with the two Nordic countries, Germany and the UK. They are also high in the 60-64 age group, exceeded only by Sweden and Germany. Unemployment in seniors (aged 55-64) is around 6%, and is somewhat lower for men than for women. The number of self-employed in this age group is small and fluctuating, and the percentage of temporary employees stands at 7.3% of the total employees, in line with France and the UK and lower than Italy and Spain.

Another Dutch peculiarity is the high percentage of part-time workers, which at 53% is the highest in the sample.

By large economic sector, the Netherlands has a very low proportion of seniors in the primary sector (3%) and a very high level in services (79%), second only to the UK. The largest number of men are in commerce (21%) while women predominate in the healthcare and social work sector (36%). By occupation, the highest percentage of men is that of professionals (27%). On the other hand, among women there is a greater dispersion of the main occupations between commercial, professional, technical and related, and clerical. Women are in the majority only in clerical and commercial occupations. The Netherlands still has a large number of people with basic studies (25.5%), very similar to France but still a long way from Spain or Italy. On the other hand, those with tertiary studies account for 34%, as in Sweden, although somewhat less so than in Finland or the UK. And unlike other countries, the percentage of men in this group is higher than women (36% vs. 32%).

The country of tulips is also notable for its high average working life of almost 40 years, exactly the same as Sweden. The age of receipt of the first retirement pension is the second highest (63), in this case trailing behind Sweden (63.6%), although there is a relatively high percentage of early retirees. A new Dutch record is for people to reduce their working hours as they approach retirement, a strategy rarely seen in Mediterranean countries, or even in Germany. In contrast, this country does not have a large number of pensioners who would have liked to continue working (28%). Those who quit do so primarily because they have a good financial situation.

### Highlights:

A country with positive natural and migratory growth.

Although one in five employees is 55 or over, there is still a big disparity in the relative participation of men and women in the older population.

High rates of activity and employment in the 55-59 and 60-64 age groups.

Notable percentage of part-time workers.

Strong outsourcing of seniors' work.

High percentage of people with tertiary studies.

High average working life and relatively late age of receipt of the first retirement pension.

# Legislation

LAW FIRM DATE

Bronsgeest Deur Advocaten July 2019

#### **AUTHOR**

Marieke ten Broeke

### **Subject:**

Labor legislation applicable to workers aged 55 or over

Does the law establish specific labor terms or conditions applicable exclusively to the hiring of workers aged 55 or over by companies (for example, in terms of trial period, severance pay, etc.)?

- Termination of employment due to dismissal: In principle, workers in the Netherlands are entitled to legal severance pay for dismissal when their employment contract is terminated at the initiative of the employer. The amount of the severance pay is calculated based on the duration of the employment relationship. Workers aged 50 and over are entitled to higher severance pay than younger ones provided that their employment relationship has lasted for at least 10 years. However, from January 1, 2020 this exception will cease to apply. Until then, workers will only be entitled to severance pay if the employment relationship has lasted a minimum of two years. Starting on January 1, 2020, workers will be entitled to severance pay from the first day of the employment relationship.
- In the Netherlands, a state pension (AOW in Dutch) is provided. In addition, the employer may enter into an individual pension agreement (with a pension fund) with workers. The age for pension purposes established in the pension plan may be different from that of state pension. The state pension age is the age from which the worker is entitled to the state pension. The contractual pension age is the age at which the worker is entitled to receive a pension under the applicable pension plan. When a worker reaches the state pension age (AOW-leeftijd in Dutch), the employer may terminate the employment contract without the prior approval of the courts or the Social Security Agency. Similarly, the employer may include a clause in the employment contract by virtue of which the contract will be legally terminated on the date on which the worker reaches the state pension age. In such case, there is no right to legal severance pay. The age for the corresponding state pension depends on the worker's date of

birth and is set to increase every few years until 2025. The age for state pension entitlement of a worker born on 01-01-1960 is currently 67 years.

After reaching the state retirement age, the employer may maintain the worker's employment relationship (or enter into a new employment contract with an employee who is entitled to the state pension). Special provisions apply in this case:

- Workers are entitled to be paid (a part of) their salary for the first 104 weeks of sickness. If an employer enters into an employment contract with an employee who has already reached the state pension age, the worker is only entitled to receive his or her salary for the first six weeks of sickness. In line with this, the employer is only required to fulfill its reinstatement obligations during these six weeks (rather than during the first 104 weeks of sickness). During this six-week period, the worker is protected against dismissal by reason of sickness.
- If an employment contract is concluded with a worker who has already reached the state pension age, a notice period of one month will apply (instead of the general legal notice period of one to four months).
- In general, employers may enter into a "chain of fixed-term employment contracts" with a maximum of three contracts of this type during a maximum period of two years. In the event that a fixed-term employment contract is entered into with a worker who has already reached the state pension age, the maximum goes up to six fixed-term contracts for a maximum period of four years. If this maximum is exceeded, the last fixed-term employment contract will be converted, by law, into a long-term employment contract.

Can companies enjoy a benefit or bonus in social security contributions or other similar benefits for hiring workers aged 55 or over?

N/A.

Does the law impose specific hiring quotas on employers for workers over a certain age? If so, what sanctions can be imposed on companies for non-compliance with these quotas?

N/A.

# Are there any tax advantages for companies that hire workers over 55?

Employers can apply for a salary cost allowance (*loonkostenvoordeel* in Dutch) from the Social Security Agency. This benefit is worth 6,000 euros per employee. This option only applies in the cases of workers:

- aged 56 or over;
- who have not yet reached the state pension age;
- who have not had an employment contract with the employer in the last six months; and
- who, at the time of hiring, were entitled to a benefit (unemployment benefit, benefit based on incapacity for work, etc.).

# Does the law impose special training obligations that employers must meet when hiring workers aged 55 and over?

N/A.

# Does the law impose special health and safety obligations which employers must meet when hiring workers over 55?

There are no such special obligations. However, employers are obliged to safeguard the physical and mental well-being of their employees. This may mean that adjustments need to be made for an older employee. Collective agreements often contain specific provisions relating to older workers, for example regarding working hours, shift work, additional leave, etc.

# What are the legal consequences of dismissal without cause of a worker aged 55 or over?

Dismissal without cause will result in either 1) a relatively high agreed severance pay (in the event of conciliation); 2) rejection of the dismissal by the courts or by the Social Security Agency; or 3) the award by the court of a reasonable additional payment to the worker (in addition to legal severance pay). In cases 1 or 3, the amount of the payment is likely to depend (in part) on the age of the worker. Older workers are often alleged to have greater difficulty finding employment than younger ones.

What is the legal retirement age? Does reaching the legal retirement age automatically give rise to the termination of employment?

See guestion 1.

is it standard practice in collective agreements at any level (that is, country, province, sector or company) to include clauses that favor the hiring of workers aged 55 and over?

No.

Is it standard practice for collective agreements at any level (that is, state, provincial, sector or company) to regulate the early retirement of workers aged 55 or over?

No.

Can workers over 55 qualify for early retirement? If this is the case:

- What requirements must be met?
- Will the amount of the pension be reduced with respect to the amount that would be received when retiring at the legally established age?

There are no national legal provisions regarding early retirement. Workers cannot access a state pension in the case of early retirement. The requirements for early access to a contractual pension depend on the rules of the applicable pension plan.

In general terms, a worker will lose approximately 8% for each year not worked before reaching the retirement age established in the pension plan.

# Do workers over 55 who are dismissed often sue the employer for discrimination?

No. This is because in the Netherlands it is not possible to unilaterally dismiss a worker without the prior approval of the Social Security Agency or the competent court, except in the case of summary dismissal. This means that the dismissal proposal must be submitted to the authorities before proceeding with the actual dismissal. In the event of discrimination, the dismissal will either not be approved or the worker will be compensated for discriminatory dismissal by means of a reasonable additional payment (or in the case of conciliation, by means of a higher agreed severance pay). Therefore, in principle, there is no need for the worker to appeal against the dismissal after the event. However, in the event that a fixed-term contract is not renewed for reasons of

discrimination, although legally terminated, the worker is more likely to sue the employer; however, this does not occur very frequently.

In the event of a workforce adjustment plan/collective dismissal, can employers randomly choose the employees affected, including those over 55? Is specific protection against dismissal granted to workers aged 55 or over?

No. Workers are selected on the basis of the principle of reflection (afspiegelingsbeginsel in Dutch). This means that workers are classified into job categories. These categories are then sub-divided into age groups. Within these age groups, the "Last In Last Out" principle is applied. There is no specific protection for the over 55 age group.

What percentage of workers over 55 are unemployed, relative to the overall unemployment rate?

The latest data from the Netherlands Central Statistics Institute is for the first quarter of 2019. The general unemployment rate of male workers (between 15 and 75 years old) is 3.6% and that of female workers is 3.8%. The unemployment rate for male workers (between 55 and 75 years old) is 3.9% while for female workers between 55 and 65 years old it is 3.5%. Among male workers aged 65-75, the rate is 3.8% and among female workers of the same age, the rate is 5.7%.

## **Good Practices**

The first study on senior citizens in the labor market had no case studies from the Netherlands. Two cases of good aging practices in this country are given below.

Company	Hazenberg Bouw
Revenue	\$84.222 M
Number of employees	195
<b>Business sector</b>	Construction
Based in	Netherlands



#### Context

**Hazenberg Bouw** is one of 120 construction companies belonging to the TBI holding company in the Netherlands. It is currently based in Vught, in the North Brabant province, and is made up of three units from the construction sector:

Hazenberg: public services construction work

Nico de Bont: restoration

Van der Laar: residential construction

The company has a fixed workforce of 195 people and also hires workers depending on the needs of each project. Most of the workers are men between the ages of 40 and 55 who are skilled manual workers (mainly carpenters).

This company has not experienced any shortage of qualified workers, thanks to the existence of a vocational training school in the neighboring town of Boxtel. On the other hand, employee turnover in the company is low and length of service is often measured in decades. However, absenteeism due to sickness stands at 9%. The most recurrent forms of contractual termination in the company are retirement and early retirement.

## **Objectives**

The company considers older employees to be less productive in physically demanding tasks, but in turn admits that the experience and knowledge which these people bring to the company are very valuable and improve the quality of service.

For this reason, and in order to improve the working conditions of older employees, **Hazenberg** introduced a series of initiatives based on models of flexible working, job design, and healthcare and well-being measures.

## **Description of Good Practices**

#### 1. Job design

Job assignments were designed with the capabilities of employees in mind, exempting older physical employees from more physically demanding tasks. Examples of this practice were assigning seniors to supervisor roles, mentoring younger employees, and slower-paced duties.

These types of practice were never formalized, but the site managers assigned employees to projects in such a way that the needs of each project were met while still bearing in mind the age of the workers.

## 2. Healthcare and well-being program

In this program, healthcare and well-being policies were formalized, including regular medical checkups and consultations. These types of policies were very useful in view of the legislative changes in the country that discouraged early retirement and penalized companies whose employees claimed disability insurance.

Thanks to the new healthcare and well-being policies, sick leave was used in the same proportion among employees of all ages; that is to say that seniors do not get sick or injured any more than young employees. This, coupled with the fact that there were relatively low absenteeism and turnover rates at **Hazenberg**, is indicative that the company was managing its aging workforce appropriately.

### 3. Recruitment practices

As a construction company with an aging workforce and low employee turnover, there were few opportunities for internal job rotation in the company to assign less physically demanding tasks to older employees. For this reason, the two initiatives previously described were maintained and, in addition, **Hazenberg**'s recruitment and selection policy was changed to hire younger workers. This made it possible to maintain the job design initiative after hiring a relatively large group of seniors in the 1990s. Older employees could therefore perform mentoring functions for young people, while the latter benefited from greater dedication to manual work (which was necessary for their professional development).

#### 4. Initiative 55+

This initiative consisted of creating a new flexible working policy to allow employees from the age of 55 to work a four-day—instead of five-day—week. The salaries of workers who decided to benefit from this new measure would be adjusted based on the new four-day week.

This policy was intended to avoid excessive fatigue or tiredness in older employees. The problem that arose was that the measure was difficult to implement owing to the very nature of construction work, in which shift organization was very limited.

The set of measures described contributed to maintaining the employability of older **Hazenberg** employees, improving the productivity of younger employees, and strengthening the focus on the health and well-being of all employees. Absenteeism rates were higher than the national average; however, and as noted above, the absenteeism rate was no higher in older employees than in younger ones, which is usually the case in many companies.

Company	Van der Geest Schilderspecialisten
Revenue	Unknown
Number of employees	125
<b>Business sector</b>	Painting, maintenance
Based in	Netherlands



#### Context

The Dutch company **Van der Geest Schiderlspecialisten** (henceforth **VDG**) was founded in 1917 and began by offering solely painting services; however, over the years it has evolved to become a company that provides all kinds of real estate maintenance services.

**VDG** has a team of 125 specialists and provides its services to construction companies, healthcare and educational establishments, businesses, public agencies, real estate managers, and private individuals.

In the Netherlands, companies operate under general health protection laws and do not require specific healthcare and well-being programs for older people, since the law protects such people on the basis of non-discrimination. The country's legal bases establish that companies may not limit people's work capacity based on their age, whether in the area of hiring, working conditions, or dismissal.

However, as the **VDG** workforce was aging—which led to a series of changes in the physical capabilities and needs of workers—the company decided to take action.

In 2010, **VDG** launched the Win-Win project in order to improve the physical and psychological health of its workers and thus maintain their employability. The program was designed with global scope in the company and not only aimed at skilled manual workers. Painters and other specialists usually suffered from physical issues such as muscular overload in the neck and shoulder area, while clerical staff suffered from more psychological incidents such as work-related stress.

# 142 Objectives

The aim of the Win-Win project was for **VDG** to manage the health of its employees from the point of view of preventive measures and immediate action. The project encouraged workers to inform **VDG** about incidents or health problems at the earliest stage in order to prevent their conditions worsening.

Specifically, the company wished to answer the following questions:

- How can the health and employability of workers be maintained?
- What are the workers' expectations and needs?
- How can employees be encouraged to report health problems early?
- How can employees be motivated to understand the importance of staying healthy?
- How can older employees keep healthy?
- How can an effective occupational health and risk prevention policy for older employees be implemented?
- What kinds of intervention can or should be made to address occupational health risks and ensure focus on both healthcare and safety?

### **Description of Good Practices**

The Win-Win project was implemented for six months in 2010. To do this, **VDG** relied on occupational risk prevention tools developed by the Netherlands Organization for Applied Scientific Research (TNO in Dutch), which served as a guide for their own project.

These tools were created specifically for SMEs and were freely accessible through a website (currently in disuse). They were very varied, consisting of both health surveys to diagnose the state of workers both before and after the implementation of initiatives, as well as a checklist and information on adapting jobs, advice and good practices in ergonomics, flexible working models, and the importance of promoting employees' physical health and healthy eating.

#### 1. Health survey to identify needs

The first part of the Win-Win project was a preliminary survey, conducted to assess the health needs and expectations of **VDG** employees.

These were the results:

- 60% of the workers were overweight.
- The number of smokers in the workforce (46%) was much higher than the national average (28%).
- Most of the employees (77%) were willing to improve their health.
- Respondents were pleased by the company's interest in the state of their health; however, they also said that they preferred spending time on healthy activities in their free time rather than doing so with their colleagues.
- The three occupational health promotion activities that received the most votes were:
  - fitness tests:
  - O fitness classes; and
  - ocourses on how to give up smoking.
- Employees also expressed dissatisfaction with the company's health insurance.

Thanks to the results of this survey, **VDG** obtained performance parameters to design and implement actions that would be useful for its older workers.

#### 2. Activities and actions carried out

#### a) Change of health insurance provider

Given the workers' dissatisfaction with the health insurance provided by **VDG**, the company decided to change its provider and hired the services of a new insurer: De Friesland.

With this new provider, **VDG** was able to negotiate services that were better suited for its workers, such as courses on how to give up smoking and trainings on healthy eating; in addition, the new provider also provided better coverage and support during sick leave. The latter is now being carried out thanks to the national TIGRA network described below.

With the arrival of the new provider, **VDG** employees were encouraged to report any occupational health problems they were experiencing, as well as discuss with their managers any tasks or environmental factors that might be problematic for older people. With this, the company sought to overcome the culture and negative attitude regarding people who had health problems due to aging and which affected their performance at work.

Similarly, the insurance company supported **VDG** by advising it to adapt its positions and working conditions in order for its employees to maintain an optimal state of health.

# b) Using the health and employability management network for older workers (TIGRA)

Under the agreement with the new insurer, De Friesland, claims made by employees were also sent to the national TIGRA network. This network specialized in occupational health management and in improving the vitality and employability of employees (especially the oldest ones).

In response to an employee's complaint about a situation affecting his or her health, the company would make an initial assessment of the situation. If the given situation was considered too complex to deal with, the national TIGRA network would be sought for expert advice. TIGRA would then assess the situation using a color scale for the diagnosis:

- Red: The worker is unable to continue working and urgent intervention is required to ensure that he or she can return to work as soon as possible.
- Yellow: There is a need to put preventive measures in place (for example, adapting jobs) to ensure that the problem doesn't get worse.
- Green: The worker is considered to be healthy, so general guidelines and advice are given on promoting healthcare at work and a healthy lifestyle.

The company works hand in hand with TIGRA to find suitable solutions to any problems that may arise. Examples of such solutions are adapting working conditions (jobs or shifts) or offering specific healthcare services such as physiotherapy.

#### c) Improve the process of returning to work after prolonged sick leave

**VDG** realized that it did not sufficiently monitor absenteeism and that workers needed better communication and greater support when returning to work after a period of sick leave.

Employees were thoroughly consulted in order to understand their needs in such situations, and this information was forwarded to De Friesland so that it could implement appropriate measures.

Thanks to the open communication between the company and its workers, both the latter's confidence, as well as their motivation to return to work, improved.

## d) Exchange of information with other SMEs

Through the online platform provided by TNO, the paint company was able to contact other SMEs regarding the health problems of its older employees. This allowed them to share solutions to similar situations and learn from other companies. This in turn allowed risk prevention policies and measures to be implemented more effectively and for the benefits that the health promotion program granted **VDG** to be better appreciated.

The Win-Win project was very well received by employees and their health awareness was improved. Additional preventive measures were taken with respect to occupational hazards, and employee health began to be monitored more effectively.

Within six months, the culture and attitude towards seniors improved significantly on the part of both the management team and employees. Even more than five years after starting the project, its behavioral changes continue to exist and there is strong awareness of the need to promote occupational health, particularly in relation to aging. Before reaching this milestone, older employees were not able to notify the company of problematic situations in related to their age and to request assistance without being victims of teasing or bullying. Today there are certain tasks which only younger people carry out, such as working at height, painting very large surfaces or carrying a lot of weight.

There was a change in attitude at **VDG**, focusing attention on people's abilities rather than on their limitations. In addition, as a result of this cultural and behavioral change, absenteeism among older employees was halved.

## **II.6 FRANCE**

## Sociodemographic Report

With almost 67 million inhabitants, France is the second most populous country in the EU, after Germany, and has a slightly higher population than the UK. It has the highest positive natural growth thanks to a fertility rate of 1.9 children per woman, hovering around the 2.1 rate required for renewing generations. A long-standing family support policy places France with Ireland at the top of the European fertility classification. In addition, it has a favorable migratory balance—although not quite as favorable as its natural growth which results in France experiencing a positive real increase. Furthermore, France, together with Spain, has the highest female life expectancy in the EU and therefore one of the highest on the planet. In addition, its aging index is around the EU average (19.7%), which is lower than that of Germany or Italy. During the period analyzed, the population of active seniors increased by 1.8 million and that of employees by 1.6 million. These constitute growths of more than 50% in fewer than 10 years, with women pla183ying an especially important part. Female employment grew by 60% compared to 47% for males. France does not, however, have the highest share of seniors among the active and employed population. In 2017, the presence in the latter was 17% and, although it has grown by five points since 2009, the figure is still below that of the Nordic countries, Germany, the Netherlands, the United Kingdom and even Italy.

Retirement takes place earlier than in other European countries, which largely explains this fact. The legal retirement age is 62 years old, although it can be voluntarily extended to the so-called full-rate legal retirement age, which is equivalent to the legal age plus five years. Obviously, many people do not take advantage of this option. In any case, the greater female growth in activity and occupation has led to a reduction in the disparity in the participation of men and women in the overall senior population, with currently very similar figures (49.8% of men and 50.1% of women in the employed population).

France's relatively early withdrawal from work means that the rates of the 55-59 age group are moderate (72% and 59%) if we compare them with the Nordic, German or UK groups; it is especially no183

table in the 60-64 age group, with 29% in 2017, lower than all the other countries in the sample. In contrast, unemployment is low (6%) with a slightly higher rate in 2017 than in 2009. Although the figures are still low, France is one of the countries with the highest recent growth in self-employment among seniors and with a quarter of these working part-time. Temporary employment affects 9.3% of older workers, which is more than in Germany, the Netherlands or the UK, but less than in Spain or Italy. Sweden has a higher rate of temporary work (12%) than France; however, while in France the main

reason for this high rate is not being able to find a permanent job, in Sweden it is "not wanting" that sort of job. Non-continuous activity appears to be a distinctive feature of older Swedish workers.

By major economic sectors, French seniors have low rates of distribution in the primary sector (4%), moderate in the secondary (12%) and higher in services (79%). Depending on the economic branch, France follows the general pattern already observed in most of the countries in the sample. The highest percentages of males correspond to commerce and transportation as well as activities related to industry and government and defense. In the latter case, France does in fact present higher figures than those corresponding to this branch in others of the countries selected. As for women, the percentage working in the health sector (27%) is again fairly high, well above that of government and defense (14%) or commerce and transportation (12%). By occupation, men have the highest percentages among professionals and technicians and somewhat less so among craft workers and operators. And women concentrate their work more on commercial activities, followed by the group of professionals, technicians and clerical workers. There is a greater female presence in clerical and sales jobs, as well as in the so-called elementary occupations.

By educational level, France still has a relatively high percentage of older workers in the primary sector (26%), clearly higher than in the Nordic countries, Poland and Germany, although still lower than in Spain or Italy. At the other end of the scale, France's workers do not figure among those with the most tertiary education (29%); in this respect, it is outnumbered by Finland, Sweden, Germany, the Netherlands, the UK and even Spain. However, the numbers are improving: the number of seniors with only elementary studies is falling while those with higher secondary and tertiary levels are increasing.

The duration of working life is also shorter than that of many countries. At 33.6 years, France's working life is shorter than that of Finland, Sweden, the UK, the Netherlands and Germany, the same as Spain, and longer only than Italy and Poland.

The average age of receiving the first retirement pension is early (59 years), although the figure for early retirement is low, given the comparatively low legal retirement age. Nor is France among the countries that reduce their work rates as they approach retirement, and fewer than a third of workers who receive a pension would have preferred to continue working (the UK and Spain, for example, have higher values). Half of the French population leaves work when they reach retirement age, which, as we have seen, is relatively early.

## Highlights:

Better demographic situation than that of the other countries in the sample. Population increase thanks to positive natural growth and a favorable migratory balance.

Modest participation of active and employed seniors in the overall active and employed population.

Equal distribution of senior work between men and women.

Fairly low activity and employment rates in the 55-59 age group and especially in the 60-64 age group.

Strong outsourcing of senior work.

Relatively low average length of working life

Relatively early legal retirement age which results in fewer early retirements and a lower average age of receipt of the first retirement pension.

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## Legislation

LAW FIRM DATE

Capstan September 2019

## **AUTHOR**

Ugo Giganti

## Subject:

Labor legislation applicable to workers aged 55 or over.

Does the law establish specific labor terms or conditions applicable exclusively to the hiring of workers aged 55 or over by companies (for example, in terms of trial period, severance pay, etc.)?

Under French Labor Law, there are no specific terms or conditions regarding recruitment. However, an applicable collective agreement might include such provisions, although this is unlikely.

With regard to severance pay, some collective agreements may provide for the payment of a higher amount to certain older workers.

Can companies enjoy a benefit or bonus in social security contributions or other similar benefits for hiring workers aged 55 or over?

There are no benefits or bonuses in social security contributions or other similar benefits for hiring workers aged 55 or over.

Does the law impose specific hiring quotas on employers for workers over a certain age? If so, what sanctions can be imposed on companies for non-compliance with these quotas?

There are no such provisions and any age-based quota system of workers might be declared discriminatory under French law.

However, some collective agreements may include declarations of intent related to hiring older workers.

Provisions of this kind are probably related to laws that have recently been repealed:

- Up until March 1, 2013, companies with a minimum of 50 workers had to negotiate a collective agreement or, failing this, apply a unilateral decision regarding hiring older workers ("action plan for older workers").

In the absence of a collective agreement or unilateral decision, a sanction equal to 1% of the total remuneration paid to its workers would be imposed on the company.

- Up until September 24, 2017, companies with a workforce of between 50 and 299 workers were required to negotiate a collective agreement or, failing that, to apply a unilateral decision regarding the hiring of young and elderly workers ("generational contract").

In the absence of a collective agreement or unilateral decision, the company could be subject to a sanction of up to 1% of the total remuneration paid to its workers.

# Are there any tax advantages for companies that hire workers over 55?

There are no specific tax benefits.

Does the law impose special training obligations that employers must meet when hiring workers aged 55 and over?

There are no special training obligations for these workers.

Does the law impose special health and safety obligations which employers must meet when hiring workers over 55?

The law does not impose any special health and safety obligations.

However, a doctor specializing in occupational health may require the company to adapt the functions of an elderly worker (for example, longer breaks or special tools).

# What are the legal consequences of dismissal without cause of a worker aged 55 or over?

In theory, the consequences are similar to those of the dismissal of any worker.

However, in practice, the courts concerned with social issues are prone to order companies to pay higher compensation for wrongful dismissal in the case of older workers, owing to the difficulties that these workers might have in finding another job. However, if the worker is fewer than three years away from retirement age, the severance pay imposed by the court cannot be much higher than that of a younger worker.

# What is the legal retirement age? Does reaching the legal retirement age automatically give rise to the termination of employment?

There is no specific legal retirement age. It depends on several factors (in this regard see the answer to question 11).

In general, workers born in 1955 or later may retire from 62 years of age onwards.

However, if they wish to receive a full retirement pension, they must have contributed for a certain number of quarters, depending on their date of birth (for example, 166 for workers born in 1955, and 170 for workers born in 1968). In any case, workers will be entitled to a full pension starting at the age of 67, even when they have not contributed for the required number of quarters.

Having the right to receive a full pension does not imply the automatic termination of employment.

However, an employer may compel workers to retire, without their consent, once they reach the age of 70.

is it standard practice in collective agreements at any level (that is, country, province, sector or company) to include clauses that favor the hiring of workers aged 55 and over?

This is common, but such clauses are written as mere declarations of intent and are not binding on employers.

Is it standard practice for collective agreements at any level (that is, state, provincial, sector or company) to regulate the early retirement of workers aged 55 or over?

It is not standard practice.

This practice is limited to a few very specific sectors of activity, such as airline pilots.

Can workers over 55 qualify for early retirement? If this is the case:

- What requirements must be met?
- Will the amount of the pension be reduced with respect to the amount that would be received when retiring at the legally established age?

Some rules applicable in the public sector or in some specific areas in the private sector (for example, airline pilots) recognize the right to early retirement. However, these rules are too numerous and too specific to be listed in this research.

The following three frequent exceptions, applicable to all private sector workers, recognize the right to early retirement:

- **Long service:** for workers who started their working lives at an early age.

The system is based on the worker's year of birth and the age at which he or she started working.

For example, workers born in 1960 may take early retirement at age 58 as long as they started work before reaching the age of 16 (that is, they had made contributions for at least five quarters before their 16th birthday) and had contributed for a total of 175 quarters.

- **Disability:** Workers may take early retirement if they have a permanent disability of at least 50% or if they were recognized as disabled workers before 2016.

The early retirement age depends on the date of birth and the number of quarterly contributions.

In the most favorable cases, these workers will be able to retire at age 55.

- **Arduous work** (*travail pénible*): for workers with a permanent work-related disability (at least 10%) or a minimum number of points in an occupational risk prevention account in which "points" are accumulated based on the arduous nature of the work.

Workers entitled to this exception may opt to retire early at age 60.

In the above examples, the worker would be entitled to a full retirement pension from the moment of his or her early retirement.

# Do workers over 55 who are dismissed often sue the employer for discrimination?

No, it is quite rare.

Lawsuits for discrimination against workers aged 55 and over are more likely to be filed alleging that the employer has discriminated against them because of their health, not because of their age.

In the event of a workforce adjustment plan/collective dismissal, can employers randomly choose the employees affected, including those over 55? Is specific protection against dismissal granted to workers aged 55 or over?

Companies wishing to carry out a collective dismissal may be obliged to set and apply criteria (for the selection of workers to be dismissed) which make it possible to determine which workers of the professional category or categories involved should be dismissed. These criteria may be established through a company collective agreement or by a unilateral decision of the employer in accordance with a sectoral collective agreement. Generally, factors that might make it difficult for selected workers to find another job, such as age, are a selection criterion. In general, the older the worker, the less likely it is that he or she will be selected for dismissal. However, the application of other selection criteria (such as family or dependent responsibilities, length of service and performance) may lead to the selection of older workers rather than younger ones.

What percentage of workers over 55 are unemployed, relative to the overall unemployment rate?

The unemployment rate in France is 8.7% (June 2019).

The unemployment rate among workers aged 55 or over in France is 6.7% (June 2019).

## **Good Practices**

The first study on senior citizens in the French labor market focused on the case of PSA Peugeot Citroën, an automotive company. A pilot project was carried out in each of the production lines of the company, whereby their 2017 demographic profiles were simulated (with an average age of 47) and the productivity of these groups was studied. Following the pilot, it was discovered that the decrease in productivity was not inevitable with age, and ergonomic improvement measures were carried out in the production plants, as well as in the equipment and machinery used by older workers.

Below are two new cases of good aging practices in this country.

Company	Carrefour
Revenue	\$71,651 M
Number of employees	363,862
<b>Business sector</b>	Retail
Based in	France



#### Context

## 1. Company

**Carrefour** is a multi-local, multi-format and omni-channel retail group employing over 370,000 people worldwide. It generated more than €88 billion in sales in 2017. It operates in over 15,000 physical and online stores in over 35 countries.

The Group, which sells both food and non-food products, has a network of hypermarkets, supermarkets, discount stores, convenience stores, and cashand-carry and e-commerce platforms.

#### 2. Generation contract (Contrat de génération)

In France, generational renewal at work has already begun. By 2020, 600,000 people will retire each year and simultaneously 700,000 young people will become part of the labor market. On the other hand, the old and the young are the most affected by unemployment, the rate of which has been steadily increasing over the last decade.

Faced with this situation, the French government was forced to act to improve the working conditions of this disadvantaged group, and so on March 13, 2013, the *Contrat de Génération* (Generation contract) was enacted.

This measure was intended to prolong the working life of seniors in companies, promote the insertion of youth into the labor market, and favor the transfer of knowledge between generations.

This new legislative framework meant that companies with fewer than 300 employees could benefit from state financial aid of €4,000 per year for three years for permanently hiring a young person under the age of 26 or retaining an employee aged 57 or over. In the event of the simultaneous recruitment of a senior and a young person, the financial aid rose to €8,000.

Companies with over 50 employees had to sign a Business Plan (as **Carrefour Hypermarkets** did) or establish an action plan for these collectives.

In 2015, there were already over 100,000 people benefiting from the *Contrat* de *Génération*.

## 3. Carrefour Hypermarkets Company Agreement

In 2017, 28.7% of **Carrefour Group** workers were 50 or over, and 8.5% 55 or over. That year, **Carrefour Hypermarkets** signed the Generational Recruitment

Agreement (Accord d'entreprises sur le contrat de génération), which established measures for hiring and quality employment for those aged 45 and over. This agreement was signed by the company together with the workers' representatives in response to the Generation Contract, with the objective of protecting the employment of both the young and old.<sup>1</sup>

In addition to responding appropriately to current legislation, **Carrefour** is concerned with the well-being of its employees and the diversity of talent in the Group.

## **Objectives**

**Groupe Carrefour** "wishes to offer all its employees the opportunity to feel fulfilled in their work and to ensure that favorable conditions exist for social dialogue, listening and quality in the working environment." This is reflected in the social responsibility section of its 2017 annual report.

For this purpose, and taking into account the demographic and legislative circumstances of the country, **Carrefour** implements various initiatives, programs and actions to prevent problems associated with advanced age in the workplace from arising.

In its employment channel, the company dedicates a section to programs for older workers. It emphasizes the idea that skills are ageless and that **Carrefour** aims to promote the hiring of senior citizens and to guarantee their well-being in the company through various means, including:

- the possibility of switching to another section in Carrefour Market supermarkets in order to improve working conditions;
- access to a day shift for older workers who work Promocash night shifts; and
- a catalog of supply chain trainings dedicated to older workers.

### **Description of Good Practices**

- 1. Commitment to older workers (employment channel)
  - Training for seniors to become tutors or mentors to those with less experience.
  - Out of the total **Carrefour Market** recruitments, 2.8% are senior citizens, in order to promote hiring and maintaining jobs for this collective.
  - Maintenance and planning of the second career phase in order to address working conditions.
  - Holidays at the end of working life in order to bring forward the beginning of retirement, depending on the number of days saved up (accounted for through a time-saving account).

¹The Contrat de Génération has currently been repealed since it did not meet its stated objectives. In practice, the impact of this type of contract on unemployment was insignificant. Companies took advantage of the opportunity to permanently hire young people with a temporary contract (which is of benefit in itself to those affected), but there was no improvement in unemployment.

- An end of career program for those over 54 years old working in Carrefour Hypermarkets: part-time work and a retirement information program for seniors, as well as the possibility of repurchasing old-age insurance shares.
- An annual quota of 35 hours for those over 45 at Promocash for recycling necessary skills.

## 2. Listening to employees

Listening to employees and promoting dialogue in the company to improve the working environment is essential at **Carrefour**.

The various Group companies make communication methods available to their workers in order to measure their motivation, commitment to the company, and feeling of belonging. In 2017 alone, some 60 internal satisfaction surveys were carried out in the form of focus groups. These measured such things as trust in the company, commitment to corporate social responsibility, the appearance of the stores and job satisfaction (environment and physical working surroundings).

The commitment score of respondents was 70% and in terms of diversity and inclusion there were 77% favorable responses.

### 3. Ensuring good working conditions

## a) Occupational Risk Prevention and Ergonomics

Carrefour E-S@anté: a computer system which allows each company in the group to monitor ORP (Occupational Risk Prevention) aspects in real time.

#### Convention Drive:

- O Healthcare training: By the end of 2017, 550 people had been trained as occupational healthcare experts (mostly present in the Group's hypermarkets).
- Oreation of new materials to reduce the risk of accidents and occupational sickness.
- Replacement of old equipment in all Drive Market and Carrefour hypermarkets to be refurbished.

### Ergonomics and prevention of musculoskeletal problems:

- O Pallet height was limited to 1.80 m and today 99% of the pallets used are less than 1.80 m.
- O Platforms to make it easy to reach the highest shelves when restocking them.
- Equipment for lifting pallets and avoiding posture problems.

## Furniture improvement:

A study carried out jointly with concept teams, healthcare teams and CRAMIF (Caisse Régionale d'Assurance Maladie

d'Ile-de-France) to develop furniture for fruit and vegetable that takes into account postural restrictions and limit the risk of occupational accidents and sickness produced during product restocking.

- Refurbishing of retail product furniture in order to alleviate posture problems during restocking. Shelf depth was reduced to 600 mm, even for the lowest shelves.
- Vitamin C Plan: At Carrefour Belgium, employees aged 45 and over are allowed to benefit from individualized meetings and reviews to deal with issues such as lack of balance, muscle tension caused by unilateral loading, overused muscles, poor posture, and to receive advice from a coach. Some 1,400 employees benefit from this action in 12 Carrefour hypermarkets and 12 Carrefour supermarkets.

According to the 2017 annual report, the absenteeism rate that year was 0.49%, a figure that has been experiencing a downward trend since 2011. The number of workplace accidents (0.44%), the accident frequency rate (21.9%) and the accident severity rate (0.54%) have all fallen compared to 2016.

## b) Prevention of stress and psychosocial risks

Measures implemented to assess the main risk factors and create suitable action plans:
Stress management training
Free remote listening and psychological support devices
Store risk assessment and adapted action plan
<ul> <li>Agreement on health and quality of life at work in hypermarkets</li> </ul>

## c) Conciliation

- Island schedules: Employees were given more autonomy to manage their shifts and thus suit them to their personal lives.
- Telecommuting
- Training and awareness resources on the right to disconnect:
  - Video of good practices to adopt on a daily basis
  - Information and data concerning hyperconnectivity
  - Carrefour France commitments
  - Good practices for disconnecting
  - Informative brochure
  - Tutorial on digital tools

### 4. Promoting diversity and equal opportunities: Contrat de Génération

At Carrefour Hypermarkets there were two main focuses of action in relation to its oldest and youngest workers:

- To develop actions in favor of groups without work and young people.
- To fight against all forms of discrimination and stereotypes and to promote diversity and equal opportunities.

The following shows how the **Carrefour** Hypermarkets company agreement in France is structured in response to the *Contrat de Génération* and how it aims to address the areas of action described therein. In addition to the company agreement with the workers' representatives, a document is attached with all the indicators of the new measures.

This agreement aims to respond to the needs of older workers, as stipulated by the *Contrat de Génération*, in the following areas of action:

- Recruitment of seniors in the company
- Working conditions, the arduous nature of the work and job employment
- Development of skills and access to training
- Managing the end of a career and the transition from activity to retirement
- Intergenerational cooperation

# 4.1 Promoting the employment and retention of older employees in the company.

#### a) Policy for recruitment and maintenance of older workers

Recruitment is based on objective criteria, with communication campaigns promoting non-discrimination in the process and recruiting being carried out at employment offices and in forums.

**Carrefour** aims for 5% of their recruits to be aged 45 or older, with 2% of them being over 50.

Annual monitoring indicators for these measures are also established, including the percentage and number of employees over 45 and the percentage of employees over 50, broken down by contract type.

## b) Improving working conditions and prevention of arduous work

- Improving working conditions:
  - Reducing the risks of accidents at work by training all new employees over 45 years old in occupational risk prevention.
  - Medical prevention: All employees aged 58 or over with a long-term contract will be entitled to an annual medical checkup.

	Prevention of arduous work:
	○ Those over 55 are entitled to:
	two consecutive days off every two weeks;
	<ul> <li>three consecutive weeks of paid vacation per reference period;</li> </ul>
	<ul> <li>the option of moving from a night shift job to a day shift one within three months of applying; and</li> </ul>
	performing one night shift per week.
	<ul> <li>Those aged 58 and over are entitled to limit their night shifts to two per month.</li> </ul>
	<ul> <li>Employees aged 60 and over may forgo guard duty.</li> </ul>
	<ul> <li>Training is offered in ergonomics and the prevention of mus- culoskeletal injuries.</li> </ul>
	O Preventive maintenance is offered every five years for those aged 45 and over.
	Encouraging older workers to stay on.
c) Ant	icipation of career development and age management
	Career management for older workers
50	Those aged 54 and over with at least three years of service will be able to benefit from "senior career management," which deals with topics such as the following:
	The evolution of their job and future employment prospects
	<ul> <li>Their skills and training needs in the event of relocation within the company</li> </ul>
	<ul> <li>Complete information about company policy in favor of seniors at Carrefour</li> </ul>
	Personalized action plan for those aged 50 and over with at least se year of service in the company:
	<ul> <li>Training specific to the job and its evolution and development of skills</li> </ul>
	<ul> <li>Written career report for older workers</li> </ul>
en eli	Job and geographical mobility: <b>Carrefour</b> has a website (www. viedebouger.Carrefour.fr) where older workers can consult their gibility, formalize their interest in job mobility and apply for posions within the Group.

### d) Development of skills, qualifications and access to information

- Minimum training base for those of 50 and over: One training session of at least seven hours every two years
- Access to professionalization for those of 45 and over, and the obtention of a professional diploma certificate
- Certificate of Validation of Acquired Experience (VAE) for those aged 45 and over with at least one year of service in the company
- Individual training authorization: priority access for older workers

## e) End of career management and transition to retirement

- End of career management
  - Assisting those of 54 or over to transition to part-time working (from 32, 28, 25 or 21 hours).
    - Workers have the right to return to their original employment situation, especially in the event of divorce, loss of employment, disability or death of their spouse, or in bankruptcy cases.
    - Management of older workers in top management jobs (at least 58 years old and with a level seven or eight job in the organization)
    - Reduced-day voucher for seniors.
    - Access assistance for reduced-day voucher for older employees: an annual premium worth 3% of gross annual remuneration in the first year, 2% in the second year and pro rata in the first and last year based on the days worked on a reduced-time basis. Those affected will have the option of returning to their previous contract situation should their personal circumstances require it.
    - Option of returning to the previous contractual basis.
  - Transition to retirement model for top management: for level seven or eight employees with a long-term contract, at least 60 years old and with at least 25 years of service in **Groupe Carrefour**.
    - Reduced-day voucher for up to two years.
    - Annual premium of up to 95% of what they would have earned for full-time work on reduced days.
- Facilitating the repurchase of old age insurance quotas.

- Transition from activity to retirement:
  - O The Carrefour Hypermarkets "retirement" information program:

All employees over the age of 55 can participate in this training program at no cost. These sessions are organized in groups of 35 people organized by geographic area. The following topics are covered:

- Basic social security retirement
- Complementary Agirc-Arrco schemes
- Carrefour's social action in the retirement of its employees
- Information about the mechanisms at Carrefour relating to the end of its employees' careers
- Individual evaluations/conversations with older employees
- O Brochure/informative book on retirement mechanisms available to seniors

#### 4.2 Dissemination of knowledge and skills: Senior Tutors Program

The hypermarket chain launched the Senior Tutors Program, using experienced workers to voluntarily tutor new hires.

The tutor's mission is to make his or her tutees feel welcome, accompanying them on their journey in the company and facilitating their acquisition of knowledge. The tutor monitors and evaluates their tutees' progress at **Carrefour**. Every three years, the tutor will have the opportunity to refresh the skills and functions they need for this role. Tutors will be rewarded an annual premium of €100.

Company	France 3
Revenue	€3,107 M (France TV)
Number of employees	4,800
<b>Business sector</b>	Media, broadcasting, TV
Based in	France



#### Context

**France 3** is a television network that was founded on September 7, 1992 as a successor to **France 3 Régions** (FR3), whose beginnings go back to 1975.

From its inception until January 4, 2010, **France 3** was a national public broadcasting company, after which it became part of the France Télévisions group. It is currently the third largest French network in terms of audience, and is broadcast on DTT, satellite, cable, IP television and the web.

During the 1970s, the French network experienced rapid growth, which, approximately 35 years later, translated into the widespread aging of its workforce. In 2005, around 1,500 people in **France 3** (about a third of the workforce) were over 50 years old, with a further 3,000 between ages 40 and 50.

For this reason, and given that the working life in France was getting longer, **France 3** carried out a series of surveys of its employees between 2002 and 2007. The results showed that although there was a gap in overall management, there were no differences due to age in the use of technologies, nor were there any problems concerning intergenerational cooperation.

These results led to the creation of initiatives in mobility and training as well as a tutoring system.

## **Objectives**

By its very nature, the television company needed to integrate new technology (especially the internet) in order to keep its business relevant in the market. The business had practically no personnel turnover, very little geographical mobility for its workers, a stable workforce with a slight downward trend and a strong need to recycle professional skills.

Faced with this situation, together with an aging workforce and the fact that working life in France was getting longer, the company took the decision to tackle the problem and answer the question posed by the **France 3** management: What role are workers over 50 years playing in technological and organizational evolution?

The aim was also to create a career plan that would motivate employees over 50 to stay in the company and work until retirement age. In this way, the employability of these employees was improved by focusing on the second stage of their career.

## **Description of Good Practices**

To meet the challenge of managing the aging workforce in France 3, a set of integrated initiatives were carried out which included various programs and actions.

Moderniser avec les seniors (getting up to date with seniors): within the framework of the European Equality Project, which included other television networks such as INA and Arte

- Egalité (Equality): a project in collaboration with Air France and government agencies to address working conditions, training, and social benefits
- Developing Employability of the Youngest and the Oldest: with the employees themselves

#### 1. Moderniser avec les seniors

The *Moderniser avec les seniors* project had a strong impact and was structured as follows:

## a) Study of the workforce

The first part of the initiative consisted of a study launched between 2002 and 2003 to better understand workers over 40 and 50 years old. The idea was to investigate how this group regarded their employment situation and their professional options in the company.

Workers and managers from these age groups were interviewed and later on an online survey was launched (involving 800 of the 2,500 invitees). The results showed that respondents considered themselves to be in a critical phase of their careers, where their experience no longer counted and they felt rejected. Employees perceived that their professional growth had ended and that the company only offered them stagnation within the organization.

Faced with this situation, those affected adopted one of the following three attitudes: preserving their image, distancing themselves or leaving the company (the majority opted for the latter).

## b) Dans les entreprises les seniors

Given the results obtained in the surveys and interviews, the next stage of this initiative was to create an action plan called Seniors in Companies (*Dans les entreprises les seniors*).

The purpose of this plan was for employees to experience the lengthening of their working lives under the best possible conditions. But **France 3** did not stop at the issues facing older employees, but was instead looking for integrated solutions that could be valid for all age groups, thereby evaluating and developing a career management method for all personnel.

Two specific actions were thus created within the framework of this approach:

Mid-career reviews (*RDV mid-carrière*): a tool to guide and position employees between the ages of 40 and 45, who are right at the middle of their careers.

This approach was largely preventive since, by giving employees the possibility of developing a career plan past this age, the aim was to avoid them having to face barriers to progress in the company. These sessions were held through group meetings where the participants expressed their expectations and objectives at France 3.

Allowing new roles to develop:without replacing the roles they already played, employees were able to adopt new ones based on their experience. In this way, employees' knowledge was used as a key element in the role of trainer or mentor and a career path was developed (sometimes in parallel with the traditional activities of the job) when a new role was added.

## c) Other measures

- Training: In 2003, a program was created in which 15 employees over 50 who worked on websites took part. The program consisted of using innovative methods for teaching these employees to use new software. In 2004, more innovations were launched with the development of e-learning.
- Sensitization: Between 2005 and 2007, a two-day information session was held to raise awareness of diversity and age management. This session was attended by more than 300 people from fields such as human resources, management and workers' representatives.
- Management of professional development using new tools and as a result of great efforts to predict retirement prospects and their consequences on the maintenance and transfer of skills.
- Flexibility: A flexible system was developed to assist with voluntary retirement for employees over 60 and with more than 40 years of service in the company.
- Development of internal trainers with bonuses that depended on the contribution of employees, an 11-day training session, and certification when significant actions were carried out.

## **II.7 UNITED KINGDOM**

## Sociodemographic Report

With a population of over 66 million, just a little below that of France, the UK is another of the "greats" of the EU, although we do not know for how much longer<sup>1</sup>. In addition, it has a good fertility index (1.74)—compared to the rest of Europe—and a positive natural balance. It also has a favorable migratory balance, higher than natural growth, which has a greater impact on real overall growth (in 2017 the population increased by almost 450,000). Life expectancy is not as high as in other countries in the sample and the aging rate is very close to the EU average. Its departure from the EU would mean a loss of around 13% of the total population of the 28 EU countries, which stands at 510 million.

The first peculiarity to be highlighted in relation to the senior population is its relatively low growth rate, both among the active and the employed (around 25%), with only the two Nordic countries having a lower rates. As in all countries, the number of women is growing faster than that of men, but both rates are modest compared to those in other territories, with the exception of the Nordic countries. In the employed population, men have experienced an increase of 18% and women 35%. Those modest growth rates are not enough for the percentage of seniors in the total employed population to reach 20%, a figure that is far from that of the Nordic countries, Germany, the Netherlands and even Italy.

By gender, the difference of 15 points in 2008 was down to 10 in 2017 (55% and 45% respectively). The UK stands at the head of the studied countries with the highest activity and employment rates in the 55 to 59 and 60 to 64 age groups. The index is 74% in the former, lower only than the Nordic countries and Germany. And with 52% in the 60 to 64 age group it is surpassed only by Sweden, Germany and the Netherlands.

Unemployment is around 4%, and even lower among women (3%). The UK also doesn't have very high rates of senior self-employment, but it does have a greater increase in this category than the other countries sampled; and, as in Germany, the percentage of temporary older employees is low, at around 6.5%. It is also one of the countries in which the part-time strategy reaches a higher percentage (38%), indeed below only the Netherlands.

By major economic sectors, it has the lowest relative number of seniors in the financial sector (2%) and the highest in the services sector (80%). Commerce is the basic activity for men and healthcare and social work for women. Men are prominent in the groups of employees and managers. And women stand

The original publication of this document in Spanish was carried out before the United Kingdom officially left the European Union at the end of January 2020.

out mostly among commercial and professional workers. Among technicians, clerical and commercial workers there are more women than men. Nor is the UK a country with very low percentages of seniors with basic studies (22%); however, after Finland, it is the one with the highest percentages of employees with tertiary studies (37% in total). These percentages are somewhat higher among women (37.5%) than men (36%).

The duration of working life is high (38 years), exceeded only by Sweden and the Netherlands. The early retirement percentages are small (23%), indeed the lowest of the entire sample, thanks to the markedly low percentage of women (14.5%) in this category. The notable presence of seniors in the labor market is confirmed by the relative number of people who would have liked to continue working (41%), for mostly non-financial reasons.

## Highlights:

Positive natural and migratory growths.

Moderate growth of the active and senior employed population.

Good representation of seniors in the overall employed population (20%).

High activity and employment rates in the 55 to 59 and 60 to 64 age groups.

The country with the highest growth in self-employment.

High percentage of seniors with tertiary studies.

Long working life and small percentage of early retirement, especially among women.

# Legislation

Lewis Silkin DATE

Lewis Silkin July 2019

#### **AUTHOR**

James Davies

## **Subject:**

Labor legislation applicable to workers aged 55 or over.

Does the law establish specific labor terms or conditions applicable exclusively to the hiring of workers aged 55 or over by companies (for example, in terms of trial period, severance pay, etc.)?

No. In practice, such measures must be justified objectively so that they do not violate age discrimination laws (which is unlikely).

Can companies enjoy a benefit or bonus in social security contributions or other similar benefits for hiring workers aged 55 or over?

Not unless it is justified, which is unlikely; see above.

Does the law impose specific hiring quotas on employers for workers over a certain age? If so, what sanctions can be imposed on companies for non-compliance with these quotas?

No.

Are there any tax advantages for companies that hire workers over 55?

No.

Does the law impose special training obligations that employers must meet when hiring workers aged 55 and over?

No, but they cannot offer older workers less training than younger ones.

Does the law impose special health and safety obligations which employers must meet when hiring workers over 55?

No.

What are the legal consequences of dismissal without cause of a worker aged 55 or over?

If age was a factor in the dismissal, it will be considered unlawful discrimination on the grounds of age. In any case, if the worker has been working for the same employer for more than two years, the laws on wrongful dismissal—just cause and reasonable action—will apply.

What is the legal retirement age? Does reaching the legal retirement age automatically give rise to the termination of employment?

No. Any retirement age set by the employer must be justified (which is unusual).

is it standard practice in collective agreements at any level (that is, country, province, sector or company) to include clauses that favor the hiring of workers aged 55 and over?

No, it might violate age discrimination legislation.

is it standard practice for collective agreements at any level (that is, state, provincial, sector or company) to regulate the early retirement of workers aged 55 or over?

No.

Can workers over 55 qualify for early retirement? If this is the case:

- What requirements must be met?
- Will the amount of the pension be reduced with respect to the amount that would be received when retiring at the legally established age?

Company pension plans may not allow retirement and access to a pension before the age of 55. From age 55 onwards, a pension may be received (depending on the rules of the plan), but it will be subtracted from the pension to be paid once the expected age for pension purposes is reached (which is not the same as the retirement age).

# Do workers over 55 who are dismissed often sue the employer for discrimination?

Cases of age discrimination are not very frequent (but also not rare). Employers normally make sure that age is not considered as one of the causes that led to the dismissal.

In the event of a workforce adjustment plan/collective dismissal, can employers randomly choose the employees affected, including those over 55? Is specific protection against dismissal granted to workers aged 55 or over?

No, the application of age-based criteria must be justified (which is unlikely).

What percentage of workers over 55 are unemployed, relative to the overall unemployment rate?

In the UK, the unemployment rate for people between the ages of 50 and 64 is 2.8%. Data are not available that refer only to people aged 55 or over.

## **Good Practices**

The first study of senior citizens in the labor market examined the case of Centrica, an energy company, in the United Kingdom. Several initiatives were carried out at Centrica. These included: the design of a new retirement process, changes in the schemes for those leaving the company, the elimination of age limits for taking part in training, the development of an e-learning training package to raise awareness of age, the elimination of age as a criterion in the selection process, job flexibility, and a new job security program.

Below are two new cases of good aging practices in this country.

Company	Northumbrian Water Ltd.
Revenue	\$1,129 M
Number of employees	approx 3,000
<b>Business sector</b>	Water utility
Based in	UK



#### Context

**Northumbrian Water Ltd (NWL)** is one of ten UK regulated companies for water and sewerage systems. In the northeast of the country, **NWL** operates as Northumbrian Water and serves more than 2.7 million people, while in the south it serves more than 1.8 million people as Essex & Suffolk Water.

Of **NWL**'s 3,000 workers, 70% are men and a third are over 50. Sick leave costs the company a million pounds (approximately €1.4 million) a year, and in 2008, musculoskeletal problems were found to be the basis of 38% of this sick leave. On the other hand, stress and psychological problems caused 4,300 days of work lost per year.

These findings, combined with the organizational changes at **NWL**, led the company to develop a well-being program: the "**NWL Wellbeing Programme**."

## **Objectives**

The goal of the **NWL** well-being program was to prevent health problems and to treat problems that workers were suffering in early stages in order to prevent them from developing into chronic health issues.

In turn, improvements in the healthcare and well-being of the **NWL** team would lead to a decrease in sick leave and would result in significant financial savings for the company.

## **Description of Good Practices**

#### 1. Training managers

The **NWL** Human Resources staff was responsible for training managers on all the measures available to employees. As managers, their role was to direct their employees to sources of information and self-help or, if necessary, to refer them to external specialists.

In addition to this initial training, these managers enjoyed continued support from the human resources team, as well as additional training. Of these managers, 95% attended face-to-face training with the Department of Human Resources and acquired skills for handling delicate situations such as the health of their employees.

## 2. Information for employees

**NWL** workers can independently contact the sources of information involved in the company's well-being program in order to ask questions concerning healthcare, well-being, and consumption habits. In addition, they may also request psychosocial advice and support either in person or by phone.

#### 3. RehabWorks interventions

In 2008, **NWL** partnered with RehabWorks, a physiotherapy company offering injury management and rehabilitation services to workers in industrial companies, with the goal of creating a robust system for recording and analyzing data on absence due to illness.

Thanks to this alliance, employees had access to physiotherapy services as soon as they began to show symptoms of musculoskeletal problems and were able to immediately receive specific and appropriate treatment.

In addition, RehabWorks focuses on prevention and early intervention through the use of training on body mechanics (i.e., proper body movements) and how to properly perform manual tasks. This in turn serves as a tool for detecting potential areas for improvement in ergonomics.

This collaborative model with RehabWorks works by referring the employee to the professional physiotherapists within three days from when the incident is reported. In addition to the intervention with the worker, RehabWorks makes a series of recommendations to the company, in this case **NWL**, regarding the affected person's injury and it also submits a final report to the worker's general practitioner. This last practice was started in 2010 in response to requests from **NWL** employees to inform their own doctors.

## 4. NWLSupport

In 2010, NWLSupport was launched, a series of initiatives aimed at alleviating and preventing stress and mental health problems, which were the second cause of absenteeism in the company.

Thanks to NWLSupport, employees have access to confidential therapy and support sessions for problem management and mentoring in their personal lives.

The NWLSupport system offered workers and their first-degree relatives five in-person sessions, further facilitating telephone triage to refer those employees who needed it to appropriate professional services.

Furthermore, managers could rely on the continuous support of human resources for dealing with these sensitive issues.

#### 5. Other measures

In addition to the above programs, **NWL** encouraged its employees to carry out other health promotion activities such as taking part in the annual "10,000 steps a day" challenge or participating in corporate volunteer programs during working hours.

In 2012, the following results were observed:

- Over 1,800 people had used the services of RehabWorks and over 600 those of NWLSupport.
- Absenteeism due to sickness decreased from 3.25% to 3.10% over three years.
- In this same period, absenteeism due to musculoskeletal problems was reduced by 40% and absenteeism due to stress was reduced by 13%.
- During the first two years of the "10,000 steps a day" initiative, 30% of the workforce took part in it and 50% participated in corporate volunteering.

The systems and measures implemented continue to be supported and the number of participants keeps growing.

Company	Oil Company
Revenue	Unknown
Number of employees	Unknown
<b>Business sector</b>	Oil / Refinery
Based in	UK



#### Context

The company in this case study is active in the exploitation and production of petroleum and natural gas products worldwide, as well as its refinement, marketing, and transportation in the United Kingdom. The multinational headquarters of the company is located in Texas (United States) but its European operations headquarters is in Aberdeen (United Kingdom).

The Aberdeen office employs around 200 people and another 200 work at the maritime stations. The organizational model of this oil company has been changing over the last 15 years and has become less hierarchical. Similarly, work and service contracts have increased over this period (as opposed to long-term contracts), as has the figure of the part-time consultant.

The company has designed diversity and equality policies to guarantee equal opportunities, not only for reason of gender, but also for ethnic origin, age or state of health.

Older employees are highly valued in the company, especially very experienced engineers, who are considered an important asset and the greatest strength of the workforce.

## **Objectives**

The oil company introduced a series of measures to reflect the company's culture, which was based on equal opportunities and non-discrimination, and to raise awareness of the aging workforce.

On the other hand, changes in the labor market—as a result of which young people were less willing to change their geographical location for work—made older employees a very valuable asset for the company and one that needed to be looked after.

## **Description of Good Practices**

## 1. Healthcare and well-being

Workers' general state of health is very important in oil companies, since their main activities are of a manual or physical nature and entail a significant degree of wear and tear for workers.

For this reason, the company provides its employees with:

- On-site medical evaluations to solve common problems such as back pain
- A doctor on the premises to attend to existing health problems and intervene in the event of serious incidents
- Annual medical check-ups for workers aged 50 and over, in order to prevent potential health problems associated with older people

## 2. Salary policy

Although salaries are relatively standardized, the company applies salary increases up to retirement age to those who demonstrate very good performance.

In this way, even though there are jobs that do not have any further career path, and hierarchies in the company have been "flattened," workers can

continue to advance professionally, especially if they are flexible and willing to change their areas of work.

### 3. Change of attitudes

One of the most satisfactory measures for this oil company's employees is the diversity training offered to them. This training is carried out with the aim of ensuring that all workers respect and support diversity, whether it be in terms of gender, ethnic origin, age, religion, or other aspects.

The training consists of two phases: The first is to make people aware of the importance of diversity, and the second is how to put the learned material into practice at the workplace.

### 4. Career management

The company did not initially have a structured plan to review the career progress of its employees. After realizing this shortcoming, human resources committees were created that met on the order of four to six times a year with department heads to review worker performance and create succession plans for key positions.

This measure was of vital importance, since in previous years some people had decided to leave the company for lack of career progress. In this way, succession plans and employee performance monitoring served as a robust tool for employee loyalty.

#### 5. Others

In addition to the above, the company offered its workers a series of measures that were particularly appreciated and valued by seniors.

- Job flexibility: Sharing positions is a very popular measure among older employees. With this measure, two people share the same job, with the same responsibilities; they distribute the salary proportionally.
- Mentoring program.
- Recruitment policy: This policy focuses on maintaining employment in the city of Aberdeen, thereby promoting the retention of older employees at the company who were not willing to change their geographical location.

The initiatives at the oil company have yielded positive results, especially in terms of diversity training and career management:

- Employees report feeling respected and valued in the company as a result of these measures.
- Several older employees were promoted and relocated to different areas within the oil company.
- Many employees, instead of retiring at age 60 with the advantage of receiving 100% of their benefits, decided to continue working past that age.

## **II.8 SPAIN**

## Sociodemographic Report

With a population of just under 47 million, Spain's demographics have troubling features, similar to Italy. It has the lowest fertility rate of the nine countries (1.25 children per woman), the highest age for when women have their first child (32.1 years) and a negative natural balance which is caused by a falling birth rate and a growing death rate.

Fortunately, immigration is on the rise again, offsetting the natural balance and allowing the population as a whole to increase. We have the highest life expectancy for women and one of the highest for men, but the rate of aging—although not the highest in Europe—continues to rise while the young population is decreasing.

The 2008-2017 period saw strong growth of the active population: almost 1.1 million, which is approximately 43%. This increase has occurred unevenly between men and women (men have increased by 395,000 people [24%] and women by 698,500 [76%]), allowing the population aged 55 and over to grow in the overall active population, from 11% to 14%. On the other hand, the greater growth of the female active population has allowed women to go from representing 36% of the total active population aged 55 and over in 2008 to 43% in 2017. Regarding the activity rate by age group, it stands at around 70% in the 55-59 age group, drops to 45% between 60 and 64 and does not even reach 6% among those aged 65 or over. Between 2008 and 2017, those of the first group grew by 11 points and those of the next group by nine points.

Employment is growing more slowly than the active population (735,500 more jobs overall, representing an increase of 31%). As in the case of the active population, this growth has occurred unevenly between men and women. Men have gained 206,000 jobs (13%) and women 529,600 (63%). The senior employed population is increasing relative to the country's overall employed population (from 12% in 2008 to 16.5% in 2017) and within the category of seniors, women are reducing the disparity with respect to men (38% in 2009 and 44% 2017). The employment rates of older people are also concentrated in the 55-59 age group (61% in 2017 and a five-point increase since 2008). In the following age group the values are less than 40% and the figures for over-65s are insignificant.

The difference between the growth of the active and employed population translates into an increase in unemployment. A rate of 7.3% among the population aged 55 to 64 in 2008 rose to 15% in 2017, and was slightly higher among women (16%).

Self-employed workers are also on the rise. Among the self-employed between 55 and 74 years old, there has been an increase from 18,000 in 2008 to 25,200 in 2017. On the other hand, over time there hasn't been any appreciable increase in part-time workers. Both in 2008 and 2017, 88% of all employees (aged 55-74) had full-time jobs.

By major economic sectors, more than three-quarters of jobs (76%) correspond to the services sector, with the industrial sector following by a long shot (13%). The primary sector and construction share the remaining 11% equally.

By branch of economic activity, the largest number of jobs (55-74 years) are in trade and transport (19.5%), industry (12.5%), the healthcare sector and other social activities (11.4%), and government (10.3%). Among men, the highest number of jobs are in commerce (23%) and industry (18%). Activities related to healthcare (19%), commerce (16.4%) and education (11%) are the main jobs for women.

By occupation, seniors (55-74 years old) belong mainly to the sales and maintenance sector (20%), followed by professionals (17.4%) and elementary occupations (13.4%). Among men, there is a greater dispersion among craft and related workers, salespeople, professionals, technicians and associated professionals, and operators and assemblers. Among women, the focus is mostly among salespeople and elementary occupations, but also professionals. In the 10 different professional categories, women are the majority among clerical workers, salespeople and elementary occupations. In the rest, men predominate. There is therefore a lower quality of employment among women, and this is clearly reflected in the great disparity in management jobs between men (75%) and women (25%).

Temporary contracts affect 13% of workers (55-74 years), a considerably lower figure than in that of the 15-74 age group, where it is 27%. The main reason for this situation is not being able to apply for a permanent job. Job insecurity also affects older people, although to a lesser degree than other groups in the work pyramid.

Analysis by educational level (according to 2017 data) shows a strong presence in the market of people of Level I (lower than primary, primary and lower secondary education) at 44%, a scarcity of those who have Level II studies (higher secondary and post-secondary, non-tertiary) at 23% and a reasonable participation of those who have Level III studies (tertiary) at 33%. The figures for women are somewhat better than those for men (fewer in Level I and more in Levels II and III). In any case, there is an appreciable improvement in levels since 2009 in both genders. The average working life in Spain is 35 years, which is one year more than in 2008.

The average age at which a pension is received for the first time is around 62, for both men and women.

There is a high percentage of early retirement among people who receive a pension (60%), especially among men (61.4%).

Very few people of both genders reduce their working hours on the way to retirement (2.1%). On the contrary, a high percentage of pensioners would have liked to stay longer at work (around 44%). The main reasons they give

are: having sufficient income (19%), achieving or improving future pensions (20%), or both (31%). However, 30% of the responses mention reasons that are not strictly financial. On the contrary, those who leave work cite health or disability (30%) as their main reasons, or reaching the age of pension entitlement.

# Highlights:

Spain has the lowest fertility rate of the nine countries as well as a negative natural growth, which is offset by renewed immigration that allows for an overall growth rate. But the aging process is clearly advancing.

The general aging of the population causes a growth in the active and employed population, but given that the latter increases less than the former, the unemployment rate intensifies.

The main protagonists of this growth are women, who are gaining on men and approaching an equal distribution.

The activity and employment indices of the 55 to 59 age group are the lowest of the set, as are those of the 60-64 age group.

The work of seniors is carried out as a priority on a full-time basis, in the service sector (activities related to commerce, healthcare, government and education [women]).

There is a disparity in the quality of employment between men and women, to the detriment of the latter.

Spain has the highest rate of temporary work of the set of countries.

The presence of both genders in low-level jobs is related to the high percentage of people with primary or lower and lower secondary education, and the shortage of people with higher secondary or post-secondary (non-university) studies.

Many people take early retirement, but the number of those who would like to continue working is not negligible.

Legislation

LAW FIRM

August 2019

DATE

Sagardoy Abogados

#### **AUTHOR**

Gisella Alvarado Caycho Ana Goerlich León

## **Subject:**

182

Labor legislation applicable to workers aged 55 or over.

Does the law establish specific labor terms or conditions applicable exclusively to the hiring of workers aged 55 or over by companies (for example, in terms of trial period, severance pay, etc.)?

No. There are no specific labor terms and conditions for hiring workers aged 55 or over.

Can companies enjoy a benefit or bonus in social security contributions or other similar benefits for hiring workers aged 55 or over?

Yes.

Companies enjoy benefits on social security contributions when they hire employees over 52 years of age who are recipients of unemployment benefits. The corresponding benefit will be as specified according to the current Employment Promotion Program (depending on the collective, it will be Law 43/2006 or Law 3/2012). Thanks to this benefit, workers who voluntarily join this program can combine unemployment benefits with being employed.

Companies also enjoy benefits when hiring disabled employees aged 45 or over.

Similarly, companies enjoy discounts on social security contributions if they favor job retention. This results in a reduction of the social security contributions of workers over 65 years of age who have effectively contributed for 38 years and six months and have a long-term contract, or who are 67 or more and have 37 years of effective contribution.

Does the law impose specific hiring quotas on employers for workers over a certain age? If so, what sanctions can be imposed on companies for non-compliance with these quotas?

No.

Are there any tax advantages for companies that hire workers over 55?

No.

Does the law impose special training obligations that employers must meet when hiring workers aged 55 and over?

No.

In any case, the Workers' Statute (ET, Estatuto de los Trabajadores) establishes in its article 23 that all workers have the right to the necessary training for adapting to modifications in their jobs, an issue that can be deliberated by collective bargaining in order to guarantee the absence of discrimination.

# Does the law impose special health and safety obligations which employers must meet when hiring workers over 55?

Although no special obligations are imposed, the Spanish Occupational Risk Prevention Law provides that: (i) the employer must specifically guarantee the protection of workers who, due to their own personal characteristics or known biological state, including those whose situation of physical, psychological or sensory disability has been recognized, are especially sensitive to the risks from work; for this purpose, the employer must take these aspects into account in the risk assessments and, based on these, take necessary preventive and protective measures; and (ii) workers will not be employed in those jobs in which, due to their personal characteristics, biological state or to their duly recognized physical, mental or sensory disability, they, the other workers or other persons related to the company might be placed in a dangerous situation or, in general, when they are manifestly in transitory states or situations that do not respond to the psychophysical demands of the respective jobs. In this context, risk assessments must take into account, among other matters, aspects related to diversity among workers such as disability, gender, age, etc.

# What are the legal consequences of dismissal without cause of a worker aged 55 or over?

The dismissal without cause of a worker aged 55 or over does not have any additional legal consequence to any other dismissal without cause, unless the worker alleges and proves that his or her dismissal constitutes an act of discrimination based on age. If proven, the dismissal would be declared null and the worker would have the right to readmission to the job and payment of the salaries they did not receive from the date of the dismissal until the date of notification of the sentence, in addition to the possibility of receiving compensation for damages if a violation of fundamental rights is proven (discrimination based on age).

# What is the legal retirement age? Does reaching the legal retirement age automatically give rise to the termination of employment?

The age of access to the retirement pension depends on the age of the employee and the contributions accumulated throughout his or her working life. In 2019, an employee may access retirement in either of the following two cases: (A) 65 years of age and 36 years and nine months or more of contributions; (B) 65 years and eight months of age and less than 36 years and nine months of contributions.

Reaching the retirement age does not automatically result in the termination of employment, unless the applicable Collective Agreement so

establishes it. Pursuant to ET Additional Clause 10, collective agreements may establish clauses that make it possible to terminate the employment contract due to the worker reaching the legal retirement age set in Social Security regulations, provided that the following requirements are met: (a) the worker affected by the termination of the employment contract meets the requirements of Social Security regulations to be entitled to one hundred percent of the ordinary retirement pension in its contributory modality; and (b) the measure is linked to consistent employment policy objectives expressed in the collective agreement, such as improving job stability through transformation of temporary contracts into permanent ones, hiring of new workers, generational replacement or any other aimed at promoting the quality of employment.

Is it standard practice in collective agreements at any level (that is, country, province, sector or company) to include clauses that favor the hiring of workers aged 55 and over?

No, it is not standard practice.

Is it standard practice for collective agreements at any level (that is, state, provincial, sector or company) to regulate the early retirement of workers aged 55 or over?

No, it is not standard practice. It is not a matter available for collective bargaining since the regulation of early retirement is enshrined in law.

Can workers over 55 qualify for early retirement? If this is the case:

- What requirements must be met?
- Will the amount of the pension be reduced with respect to the amount that would be received when retiring at the legally established age?

As a general rule, workers who meet the following requirements may access early retirement provided:

- They are fewer than two years, at most, away from the required age applicable in each case, without the age bonuses being applicable for this purpose, from which workers in some sectors may benefit for carrying out certain activities.
- They are up do date, or equivalent, with the Spanish Seguridad Social.
- They can prove a minimum effective contribution period of:
  - 35 years, without, for such purposes, taking into account the proportional part for extraordinary payments or the payment of years and days of contributions for contributions prior to 01-01-1967.

- Of the contribution period, at least two years must be included within the 15 years immediately preceding the moment of entitlement or the moment the obligation to contribute ceased, if the early retirement pension is accessed from a situation of being up to date, or equivalent, with the Spanish Seguridad Social with no obligation to contribute.

Once the general and specific requirements are proven, the amount of the pension to be received must be higher than the amount of the minimum pension that would correspond to the interested party due to his or her family situation upon reaching 65 years of age. Otherwise, he or she will not be able to access early retirement.

However, the pension will be reduced according to the actual years of contribution, and to the corresponding reduction coefficient.

Another option is the worker's access to partial early retirement, whereby the worker who goes into partial retirement does not reach the ordinary retirement age and the company has the obligation to enter into a relief contract with an unemployed worker—or one who had a fixed-term contract with the company—in order to carry on the job left vacant by the worker who is partially retiring. This is only possible if a mutual agreement between the worker and the company has been reached.

In this case, the amount of the partial retirement pension is can be obtained by taking the amount of the theoretical pension that would correspond to the worker depending on the regulatory contribution base and the proven period of contribution, and applying to said amount the reduction percentage of working hours in relation to the working day of a comparable full-time worker; or, (and this amounts to the same result), the percentage of reduction in working hours applicable to the regulatory base will be the result of subtracting, from 100% of the full-time, the percentage of working day to be worked during partial retirement.

# Do workers over 55 who are dismissed often sue the employer for discrimination?

Dismissal of workers based solely on age is discriminatory and therefore null and void. However, it is currently not frequent for workers over 55 to file a complaint of discrimination based on age, although it is possible.

In the event of a workforce adjustment plan/collective dismissal, can employers randomly choose the employees affected, including those over 55? Is specific protection against dismissal granted to workers aged 55 or over?

In the event of collective dismissal, employers cannot randomly choose the employees to be dismissed, but must instead apply objective and non-discriminatory selection criteria. Similarly, although according to the law the legal representatives of the workers have priority of permanence over other workers affected by the collective dismissal, this priority may

also benefit workers who belong to other groups if this has been provided for by the collective agreement or the company, and the legal representatives of the workers had agreed on it in the consultation period (for example, workers with family responsibilities, older workers, disabled workers). In any case, and in the final decision to be made once the consultation period has ended, the company must justify why the employees with priority to stay in the company will be dismissed.

The protection of workers above a certain age follows from the fact that, in collective dismissals, there is an obligation to pay the quotas intended to finance a special agreement with the Social Security with respect to workers aged 55 or over (art. 51.9 ET) as well as making a financial contribution to the Public Treasury if they include workers 50 years of age or older (art. 51.11 ET).

# What percentage of workers over 55 are unemployed, relative to the overall unemployment rate?

According to the June 2019 data prepared by the State Public Employment Service:

- People from 45 to 54 years of age represent 26% of the recipients of unemployment benefits.
- People over 55 represent 32% of the recipients of unemployment benefits.

# **Good Practices**

Below are three new cases of good aging practices in Spain

Company	Asepeyo
Revenue	€1,947 M
Number of employees	3,455
<b>Business sector</b>	Mutual collaborator with Social Security
Based in	Spain



#### Context

Asepeyo is a mutual insurance company that collaborates with Spanish Social Security. It is a non-profit businesspeople's association founded in Barcelona in 1915, whose main activity is providing healthcare and managing financial benefits for work accidents, occupational diseases, common sicknesses and non-work accidents. Similarly, it carries out the preventive activity that Social Security regulates, managing the benefits of cessation of self-employment activity, provision for the care of minors affected by cancer or other serious sickness and the subsidy for risk during pregnancy or breastfeeding.

Currently,<sup>1</sup> the **Asepeyo** workforce has 3,455 employees, with an equal balance between men and women and with almost half of the workers belonging to the healthcare collective (49.2%).

**Asepeyo**'s workforce has been getting older, which has resulted in a distribution of generations in which 33.8% of its employees are 50 years old or more, and 21.8% are 55 years old or more.

Of the total employees in each group, 42.7% are management personnel, 55.2% coordination personnel, 21.3% technical personnel, 36.9% medical personnel, which is the most numerous of the four professional groups, 39.8% belonging to general services and 27.3% of clerical staff are 50 years of age or more.

In 2018, with more than 3,000 employees, the company's average age was 46, with 46% men and 28% of women being 50 or over.

The higher up the hierarchy, the higher the proportion of older employees at **Asepeyo**.

The organization foresaw that Mutua personnel would follow the European trend of aging workers, with the consequences and challenges that this entails.

Asepeyo has analyzed how the extension of working life can give rise to the prolongation of exposure to occupational hazards. The increase in the proportion of older workers translates into a greater number of people with chronic health problems and, therefore, with specific needs. In addition, older workers may be more vulnerable to certain hazards, making disability prevention, rehabilitation and return-to-work processes increasingly important. Finally, age discrimination has become a fundamental factor to be addressed.

By 2028, the company expects 83% of men and 70% of women to be 50 or older.

At **Asepeyo**, they firmly believe that only with healthy working conditions and adapting to changes in tasks can the permanence of older people at work be guaranteed, and that this will also lead to greater productivity, a better state of health for the organization and a better quality of life for each and every worker.

 $<sup>^{1}</sup>$ As at close of 2018. Confidential information provided by the company.

# **Objectives**

Asepeyo, in view of the forecast increase in age of its workforce, has designed a specific age management program (GEDA). This new project proposes to facilitate the process of adaptation to the new circumstances derived from demographic changes and generational coexistence by implementing a comprehensive approach to age management as yet another aspect of our society's diversity and of the organization's workforce.

The general objective of this project is to guarantee that everyone who joins **Asepeyo** develops their full potential throughout their professional lives, develops their full potential throughout their professional lives, so that the aging factor is an aspect that adds value to the contribution of a person to the organization. All this is to take place in an environment of well-being appropriate to each different stage of workers' life cycles.

To achieve this overarching goal, a series of specific objectives has been established, to be developed taking into account the organization's projected demographic data:

Firstly, to ensure that the selection and development processes are carried out without any discrimination based on age, and guaranteeing transfer of intergenerational knowledge and adaptation to the conditions of occupational well-being, especially in terms of psychosocial and ergonomic wellness. And finally, to contribute to the process of adaptation throughout the transition to retirement, with an approach that includes social, health and economic perspectives through knowledge and financial planning for retirement.

The approach chosen for age management is based on the Gallup-Healthways Global Well-Being Index, using a survey that captures people's perception of their well-being to determine if they are prospering, experiencing any problems or are suffering. The index is based on five essential elements:

- Well-being of purpose: being satisfied with what you do every day and motivated to achieve goals
- Social well-being: having relationships that provide support for staying healthy, as well as love from family and friends
- Financial well-being: managing financial life to reduce stress and increase security
- Community well-Being: being satisfied with where you live and having a sense of security and pride in your community
- Physical well-being: being in good health and having the energy to perform daily tasks

#### **Description of Good Practices**

Taking into account the results obtained in the survey, which captures the five essential elements, the following actions contained in the Action Plan are determined.

#### 1. Well-being of purpose

- a) Selection and hiring: Blind résumés in the selection process to avoid age discrimination.
- **b) Career development:** must cover the evolution of professional careers, as well as the development of skills and competencies, integrating the age factor in order to improve personal potential.
- c) Knowledge transfer and management: to guarantee the proper transfer of existing knowledge in the organization between the different generations, not only from seniors to the young, but also vice versa.
  - Mentoring and reverse mentoring: including counseling, coaching, training and initial support plan. The program seeks to value and improve the use of the experience of older people, both to support the new worker in their incorporation into the company or a specific job, and to improve the process of adaptation to it. In addition, there is also a reverse mentoring process in which the youngest transmit their knowledge to seniors (for example, regarding new technology and social networks).
- d) Accompaniment plan: Newly recruited employees are assigned one or more experienced employees who will accompany them in their development in the first few months of work. The selection criteria for these expert employees will focus on the identification of the different areas of knowledge, taking into account the territorial structure. The aim is to facilitate the immersion and integration of the new employee in his or her job, as a complement to the current reception plan.
- e) Awareness regarding age: through training workshops to improve the ability for understanding between generations.

### f) Adaptation of functions and working conditions:

- Workers aged 50 and over who perform their work in shifts will be given the option of voluntarily changing shifts.
- Access to supervisory functions will be prioritized to those older workers who have performed their job in the field to which the functions refer.
- Relief contracts or a similar system with an intergenerational approach (based on a study of the jobs) will be promoted.
- The opportunity to work remotely will be granted to those positions that allow for it, and the option of a compressed weekly schedule will be established.

#### 2. Social well-being

- a) Opinion survey: Questions related to the knowledge and maintenance of professional skills are introduced in order to identify and promote improvement actions.
- b) Social benefits: A guide with specific benefits by age group is prepared.

#### 3. Financial well-being

- a) Length of service award: Employees with 25 years of service in the company are awarded a commemorative gold badge and one month's salary. After 30 and 45 years working at Mutua, they are rewarded with other additional payments.
- **b) Pension plan:** All employees with at least 18 years of service belong to the Mutua pension plan, whereby **Asepeyo** pays for all the commitments derived from the plan.
- c) Retirement transition plan and financial knowledge: The necessary knowledge about finances will be provided to enable the most appropriate and accurate decisions to be made (for example, voluntary contributions to the pension plan that involve direct tax relief, flexible compensation plan, etc.). Training and informative actions will be implemented to facilitate such important decision-making.

#### 4. Physical well-being

- a) Risk evaluation: done at an individual level, taking into account factors such as age, gender and physical condition, as well as other individual needs such as those related to chronic illness.
- **b)** Healthcare promotion and monitoring: The subject is approached with a comprehensive approach based on the evaluation of the risk of each job and those occupying them.
- c) This program seeks to promote a healthy lifestyle, keep vaccines up to date, facilitate early detection of diseases with high prevalence in the population, assess the risk of future medical problems and maintain or initiate a relationship with a doctor for follow-up in the event of sickness. In addition, six preventive health cards (based on epidemiological evidence) are created based on gender and age:
  - Card 1: for women from 18 to 39 years old.
  - Card 2: for women from 40 to 59 years old.
  - Card 3: for women aged 60 and over.
  - Card 4: for men from 18 to 39 years old.
  - Card 5: for men from 40 to 59 years old.
  - Card 6: for men aged 60 and over.

Preventive actions for the promotion and early detection of disease, depending on gender and age, to be included in the health examination, have been standardized by means of health cards. Similarly, information is provided taking advantage of any type of medical action (spontaneous consultation, vaccination) that will be available to all workers on the employee portal.

#### d) Informative and training actions:

- In the form of mobile apps and brochures: to promote healthy eating and physical activity to decrease the risk of chronic disease, establishing specific objectives taking into account age, gender and the life cycle stage.
- Dissemination of the European Cancer Code and provision of information on the early detection of signs and symptoms of cancer, depending on age and gender.
- Promotion of internal initiatives aimed at self-care.
- Training for the clinical interview, to gain effectiveness in healthcare.
- Training in mental health from the healthcare team.
- e) Project: "Healthy eating habits. Eat well, live better": Guidelines and recommendations on healthy eating will be established according to the age groups established for healthcare promotion and monitoring (18 to 39, 40 to 59 and over 60).
- f) Project: "Promoting physical activity . . . and it's healthy too!": Guidelines and recommendations will be established according to age group (18 to 39, 40 to 59 and over 60).
- g) Project: "Quit smoking": a specific program to help workers quit smoking, for which guidelines and recommendations will be established by age group, working on the motivations and the most appropriate therapeutic orientation for each stage of life.

#### h) Healthcare provision:

- Access to a dietitian at special prices; or access to a virtual dietitian.
- Physiotherapist: depending on the needs of the person and the risks that their job activity entails, especially for those workers prone to musculoskeletal problems.
- Individual breaks: 10-minute breaks are established for every two hours of work for people 50 years of age and older.
- i) "Better without stress" program: stress prevention techniques, whether general, cognitive, physiological or behavioral, will be suited to the characteristics of each group depending on their age and circumstances.

#### 5. Community well-being

- a) Senior Scholarship Program: This scholarship program is aimed at people over 65 years of age, with the goal of helping these people to remain active and, in addition, to maintain enriching social relationships while sharing their experience and professional background with their peers.
- b) Recreational, business and family-oriented activities: Following a holistic approach to well-being, Asepeyo offers a wide range of activities to promote social well-being, a sense of belonging and community, and

intergroup support in the management of people's own health and that of those close to them.

**Asepeyo** is tackling the age management of its workforce with an integrative approach in order to improve the general well-being of its workers from the start. In this way, they aim to ensure that everyone reaches a mature age in the best possible physical, psychological, and emotional state, while providing those of a more advanced age with specific measures for their needs.

Company	Generali
Revenue	> €189 M / > €90 M
Number of employees	1,799 - 2,000 / 799
<b>Business sector</b>	Insurance
Based in	Spain



#### Context

**Generali** is one of the major insurance companies in Spain, where it has been operating since 1934. The company has nearly 2,000 employees and one of the largest advisory networks in the country, with more than 1,600 service offices and 10,000 employees.

The insurer focuses its strategy on offering its clients an excellent experience. To achieve this, it has developed a pioneering survey project called TNPS (Transactional Net Promoter Score), through which more than 900,000 surveys are carried out each year to discover the opinions of its clients. Thanks to the information collected, the insurer is able to continuously improve its processes and the quality of the service it provides.

**Generali España** considers diversity and equality to be central to its strategy as a company, not only at the human resources level, but also in its activity and relationship with the community and the various stakeholders (providers, agents, clients, etc.).

An important pillar of this diversity is generational diversity, which is enriched thanks to greater life expectancy and prolonged working life, thus generating a greater variety of people of different ages in the workforce and also among clients, who must be provided with products and services suited to their needs.

The diversity in the ages of the insurer's employees and the challenge of adapting to a greater variety of types of clients both imply the need to enhance the age management of the population and the workforce, promoting an inclusive environment that optimizes the management of senior talent, taking advantage of their skills and helping them to work on their specific areas in need of improvement.

To achieve this, **Generali** considers it essential that those responsible for the company be role models, and expects them to always act fairly, equally and inclusively with the members of their teams as leaders of diversity, and to know how to take advantage of the asset of older employees, enhancing their skills and strengths.

For **Generali España**, inclusion means recognizing, valuing and taking into consideration the different backgrounds, knowledge, skills, needs and experiences of people to create cohesive work teams with committed employees who can share their diverse talent and their points of view in order to create better business ideas and processes.

At **Generali España**, aspects related to diversity, inclusion and reconciliation are subject to continuous evaluation and improvement, through the opinion of its employees in the Engagement Survey carried out biannually throughout the Group.

There is also a Diversity & Inclusion Committee, which was established in 2016 and consists of employees from different profiles, generations and roles, who propose actions and initiatives to promote a culture of diversity and inclusion within the company. The D&I Committee enjoys the direct participation and support of the CEO.

# **Objectives**

In recent years, **Generali España** has carried out an exhaustive diagnosis of diversity, based on which an action plan has been approved as part of the Group's global D&I strategy, with participation of D&I specialists in the global D&I Committee and the global network.

The **Generali España** action plan incorporates a real, measurable management system, through well-defined KPIs, which allows the evaluation of results in a flexible continuous improvement process.

**Generali** has also included diversity as a transverse axis in its leadership programs for people who have team management among their functions.

# **Description of Good Practices**

#### 1. Generation and Talent Observatory

**Generali España** is part of the Council for the Promotion of the Generation and Talent Observatory, for the exchange of good practices and management programs for generational diversity in companies.

In February 2018, the III Meeting of Good Practices in Generational Diversity, organized by the Observatory, was held at **Generali**'s headquarters. Generali therefore took part in various forums and events and sponsored and participated in the Observatory's HR Forum program, which was broadcast by Capital Radio.

#### 2. Mentoring program

Thanks to the Development Mentoring Program, people with responsibility in the company mentor other employees with potential; in turn, the Reciprocal Mentoring Program gives younger generations the chance to mentor older employees in the use of new technology, new ways of working and the realities of young people as customers and service users.

These programs facilitate the recognition of the value of employees of different generations and the transfer of knowledge from one generation to another, especially from the generation closest to retirement.

#### 3. Succession plans

The company's human resources policy stipulates that there must be a succession plan for all those in a position of responsibility (senior manager or director). Succession programs are structured as follows:

- A minimum of one prepared successor: someone who is qualified or trained to immediately fill the position.
- A minimum of one successor for within one to three years, who may be required to take on a different job before filling the definitive position.
- A minimum of two successors for within over three years, who may be required to take on up to two different jobs before filling the definitive position.
- A minimum of one emergency successor who could take on the job immediately in the event of any contingency.
- In succession planning there must be at least one woman in the short list of candidates, and gender diversity must be promoted in the selection processes, with at least 50% of female candidates among the four finalists.

# 4. Healthcare and well-being programs

These programs, which are aimed at specific groups based on their age and activity in the company, include:

- Additional medical examinations starting at a specific age:
  - Early detection of colon cancer from the age of 50
  - O Detection of glaucoma from the age of 45
  - Urological and gynecological examinations for those over 45
- Voice workshops (for people with high telephone use)
- Safe driving courses (for sales roles)

In addition, **Generali** has implemented the WHO Healthy Working Environment management model for the promotion of health, making the following benefits available to the entire workforce:

- Discounts at gyms
- Programs for giving up smoking
- Medical and physiotherapy services at central offices (Madrid and Barcelona)

- Prevention of psychosocial risks through communication skills and stress management programs
- Career sponsorship
- Awareness of healthy lifestyle habits with the holding of a Healthy Week
- Organization of paddle tennis tournaments

### 5. Recognition of seniors

On completing 25 years of service at **Generali**, employees receive a commemorative plaque, as well as an extraordinary financial bonus after 25 and 35 years at the company.

Similarly, focus groups have been held with employees from the baby boomer generation to survey their needs as well as and their vision of the company's emotional salary and conditions as a basis for establishing a specific action plan. To date, there have been two focus groups with 25 participants in total and **Generali** intends to hold sessions with all the generations in the workforce, as well as intergenerational sessions to study the relationships between them.

#### 6. Senior benefits

Additional vacations are provided, with the corresponding reduction in the number of working days per year, for employees aged 60 and over until they reach the normal retirement age. The additional holidays are three working days for those who turn 60 or 61 in the calendar year, four working days for those turning 62 or 63 and six working days for those turning 64 or more, until they reach the normal retirement age. These days lead to a reduction in the number of working days per year in proportion to the additional vacation days without there being any impact on or reduction in the employee's salary.

#### 7. Reskilling and operational transformation

**Generali España** is currently undertaking a Reskilling and Operational Transformation program that will entail retraining and teaching new skills and competencies for a large part of the company, which logically includes the talent of seniors.

The catalog of new skills includes the following topics:

- Digitization
- Data analytics
- Financial and capital management
- Governance, risk and compliance
- Customer experience and needs
- Business strategy innovation and management
- New forms of work
- Multimedia and content management

In addition to all the initiatives described above, **Generali** is working to implement other initiatives, such as a retirement preparation program and the creation of development models for talent groups.

Company	Fundación Endesa
Revenue	€3.7 M (Annual budget)
Number of employees	13
<b>Business sector</b>	Energy
Based in	Madrid



#### Context

**Fundación Endesa** was founded in 1998 with a clear purpose: to promote cultural, social and general interest activities. Its projects cover various areas of action—education, training, environment and culture—with a clear social vocation.

Since 2015, the **Fundación Endesa** has initiated a new stage. Preserving traditional lines of action, they have placed greater emphasis on the development of initiatives of an educational and training nature.

**Fundación Endesa** understands that learning and entrepreneurship are key to promoting talent and generating opportunities. In the field of education, innovative initiatives are promoted to awaken talent and develop skills in different areas. Academic excellence is promoted through grants, scholarships and chairs. Regarding training for employment, talent is encouraged, with a focus on young entrepreneurs, people at risk of social exclusion and employees aged 50 and over, in order to improve their employability.

The selection of projects is carried out with clear and transparent criteria, in line with **Endesa**'s corporate social responsibility policy, whereby preference is given to projects with an appreciable impact on their beneficiaries and with measurable results.

The importance of promoting projects which focus on sustainable social development is ratified, with a focus on children, young entrepreneurs, professionals aged 50 or over, and groups with fewer resources.

#### **Objectives**

Senior talent currently represents one of the most important assets available to our country. Thanks to their long professional experience, these employees aged 50 and over have acquired the talent that many companies need and seek today. **Endesa Foundation** wanted to promote a cultural and business

change to benefit this senior talent. For this reason, initiatives and online and in-person meetings and innovation spaces are launched to improve professional training and facilitate employment for those aged 50 or over.

The Foundation wants to develop effective solutions for optimizing senior talent in Spain and to do so from two perspectives: the need for people over 50 to continue working and contributing with their experience and, on the other hand, the need in the business world to "capture" this talent.

It is in this context that the SAVIA project was born, a meeting point for the senior population, from which to launch initiatives, facilitate solutions, generate synergies and create employment opportunities for people over 50.

**Fundación Endesa** seeks to promote a necessary cultural change for a group of what is estimated to be around one million people who left their jobs early against their will. It is a cultural change that also offers solutions to the world of Spanish business, which great professionals, endowed with talent and experience, are approaching.

# **Description of Good Practices**

### SAVIA project

**Fundación Endesa**, in collaboration with Fundación Máshumano, is developing the SAVIA project to improve the employability of unemployed senior talent in Spain. The SAVIA generation embodies energy, experience and knowledge and is capable of transferring this value to society. SAVIA analyzes and understands the starting situation of seniors, how to reinforce their confidence, visualize new professional horizons and make them feel part of a community. The aim is to accompany seniors in transition towards the goal of returning to the world of work.

From the beginning SAVIA is configured as a technological platform from which to promote change (generating proposals for government bodies and the social and business world), generating activity (bringing senior resources and tools together in order to facilitate the improvement of employability and promoting collaboration with organizations) and create opportunities (generating training and employment opportunities that impact the return to work). Before the launch of SAVIA, a process of analysis of seniors and companies was carried out. Three words were continually repeated: disorientation, demotivation and loneliness. Therefore, SAVIA's approach should be: to guide, motivate and accompany; this has been put into practice by developing various tools.

#### 1. The SAVIA path

It is SAVIA's intention that from the very first day a worker becomes unemployed, a single click will take them to a space marking out a path for them—a path to employment that is full of resources and services provided by collaborating companies and organizations with the best conditions.

To use the resources, users are encouraged to create a road map, within the www.generacionsavia.org platform, called "Camino SAVIA." The SAVIA experience involves a path that follows the chronological stages as described below:

- **S:** From **Serenity** at this stage, the user is presented with resources to aid in self-knowledge, allowing them to face a chapter in their work life while closing the previous one. This stage offers knowledge of the job market, new forms of collaboration, various resources and how to update one's résumé.
- A: Analysis here, self-diagnosis tools in employability, skills, digital skills and the digital gap, entrepreneurial potential, level of English, etc. are made available to the user.
- V: With Vision training is offered to complement those areas where the user has needs. The training is provided for free and comes from large training portals and academic institutions.
- **I:** With **Impact** resources are provided for orientation towards job offers or entrepreneurship and resources are given on new forms of collaboration with the labor market, new professions and new sources of employment.
- **A: Alliance** together with many other professionals and organizations, a community is created to drive networking and the generation of opportunities. SAVIA is a space or community for older employees to connect and communicate with each other.

More than 300 companies are registered on the platform to interact directly with seniors who sign up.

In addition to virtual resources, SAVIA offers its seniors the combination of the platform with in-person actions as a way of enhancing relationships and using training as a motivation for this. In its first year, 26 training events were held with more than 2,500 participants.

#### 2. Think Tank

In addition, with respect to generating change, SAVIA has an area on its website called Think Tank, which is subdivided into four sections:

- Latest news: relevant and current information on progress in social and business change in favor of senior talent in Spain.
- Reports: on current employment, legislative changes in labor matters and new trends at the national and international level.
- Expert opinion: Here, experts and commentators in this area share their vision and proposals for strengthening various aspects of the labor market and making progress in the correct management of the SAVIA generation's talent and experience.
- SAVIA experience: Here is where successful initiatives being implemented by organizations committed to senior talent are shared.

#### 3. The SAVIA community

The SAVIA community is a meeting point for older employees and organizations whose objective is to share common interests and establish new forms of collaboration. In addition, in this section you can access the activities and social networks area. This area is further subdivided into sections:

- Activities: where users are informed of events, forums, training, and workshops, among other aspects
- Search engine for professional profiles for registered companies
- Search engine for job offers for registered users
- Networks: where content published on social networks is presented
- Testimonies: where seniors share their experience with SAVIA and explain how it has helped them
- Forum: space for exchanging opinions, resolving queries, debating current issues, etc.

The SAVIA platform is a meeting point for seniors, organizations and collaborating companies which share the common objective of facilitating opportunities for the group of seniors registered on the platform. SAVIA makes available to these employees the resources and services that the collaborating companies and organizations propose and offer with the best conditions. All these virtual resources, together with in-person training activities, make workers activate and promote their networking, update and refocus whether their professional career is necessary, and most importantly, focus their energies on the job search.

As of July 2019, the platform had already reached 16,000 registered seniors. In addition, SAVIA has configured a map of collaborators from more than 300 companies and institutions in the fields of employment, academia, entrepreneurship, consulting, etc., who freely transfer their resources to the platform to bring them closer to seniors. Finally, in its first year of existence, SAVIA promoted 26 training events, bringing together more than 2,500 participants.

The SAVIA project is a modern solution for streamlining the process of recruitment, reskilling, and networking of older employees, providing a digital and agile approach to these processes, and supporting a valued collective which, however, finds it very difficult to find a job.

# **II.9 ITALY**

# Sociodemographic Report

With a population of over 60 million, Italy is the fourth largest European country by population. But it is a country affected by serious demographic problems due to its very low fertility rate (1.32 children per woman), one tenth of a point above Spain, and with the highest rate of aging of all the territories in the sample. Births are falling while deaths are on the rise, leading to negative natural growth (over 190,000 people in 2017). Despite its restrictive immigration policy during the Salvini era, it has a positive balance, although this does not offset the natural equilibrium. Italy is gradually losing population. It would be doing so much faster were it not for the "vilified" immigrants who act as a retaining wall for this demographic bleeding. Life expectancy at birth is high, and another significant fact is that Italy has the highest percentage of the population aged 80 and over (70%) and the smallest number of young people (under 15 years) (13.4%) of the nine countries in the sample.

Due to this shortage of youth and young adults, it is one of the countries that have seen the greatest increase in active and employed seniors (65% between 2008 and 2017 in the case of the latter). In absolute figures, the increase for each gender was 900,000 people, which represented 91% for women, from a lower starting point, compared with only 49% for men. Recent progress has allowed the employed senior population to increase from 13% to 20.4%, in line with that of France, the Netherlands and the UK. Despite the higher number of growth among women, there is still a disparity of 20 points between men (60%) and women (40%) in the overall employed population, a figure that was even higher in 2008 (by 30 points).

By age group, Italy has relatively low rates in the 55 to 59 year old group (close—at 63%—to Spain's 61%, which is the lowest of all) and similarly low in the 60 to 64 group (40%, also close to Spain's 38%). From age 65 onwards, the figures are very small. Unemployment is not very high (6%) although it has grown three points since 2008. Also similar to Spain, Italy has more than 10% of temporary employees and a small number of self-employed who, furthermore, did not grow in the period analyzed. The index of people employed part-time (15%), which has barely changed since 2008, is also small.

The percentage of the senior population in the primary sector is identical to that of Spain (5%), but Italy has a somewhat higher rate in the secondary sector (16% compared to Spain's 13%). It is the difference between the two tertiary sectors that, as in all the countries, brings together the largest number of employees. Men in the commercial and industrial sector (Italy is at the forefront of certain types of industries and they have always been excellent traders). Women in the education and healthcare sectors, a fact which we have found in many other territories and can almost consider it as a constant.

The highest proportion of senior males is in the professional, technical, and craft and related trade occupations. Women are found in the group of salespeople, clerical workers and professionals. In the first two, they have higher percentages than their male counterparts.

A relatively high percentage of seniors in Italy has only basic studies (35%) exceeded only by Spain (45%). Italians are better off than the Spanish in terms of the rates of older people with secondary education (44% vs. 23%), and yet Spain is ahead in tertiary education (33% vs. 20%). This last figure is certainly the smallest of the countries in the sample, below even that of Poland (22%). And at the tertiary education level, the percentage of women (24%) is better than that of men (18%).

Italy, on the other hand, has the shortest average working life of the nine countries, with only 30 years (four fewer than Spain) and a fairly early age of receiving the first retirement pension (58). It also has the highest early retirement rate of the set (73.5%) and a very small amount of people who reduce their working hours during the transition to retirement (2.8%). Furthermore, there are very few retirees who would have liked to continue working (27%). Once they reach the qualifying age for a pension (or even sooner), people leave en masse.

### Highlights:

Italy's population is decreasing, albeit by small amounts.

It has the smallest relative youth population of the nine countries and the highest number of people aged 80 and over.

There is great disparity in the participation of men and women in the total of older employees.

Low employment rates in the 55-59 and 60-64 age groups.

Relatively high rate of temporary employment.

Smaller number older employees working part time.

Lowest average length of working life in the series.

Fairly early age of receipt of the first retirement pension.

Highest early retirement percentage in the set.

Legislation

LAW FIRM **DATE** July 2019

Toffoletto De Luca Tamajo & Soci

### **AUTHOR**

Valeria Morosini

### **Subject:**

Labor legislation applicable to workers aged 55 or over.

Does the law establish specific labor terms or conditions applicable exclusively to the hiring of workers aged 55 or over by companies (for example, in terms of trial period, severance pay, etc.)?

Yes.

There are some specific terms and conditions for companies that hire workers aged 55 and over. Some examples are: (i) workers aged 50 205

or over are not counted for the purposes of calculating the maximum number of fixed-term employment contracts allowed; and (ii) for workers over 55, there is a specific type of contract (the sporadic employment contract).

Can companies enjoy a benefit or bonus in social security contributions or other similar benefits for hiring workers aged 55 or over?

Yes.

Companies enjoy a social security reduction when they hire employees aged 55 or over. For example, in certain circumstances, companies that hire unemployed people aged 50 or over for a minimum of 12 months will enjoy a specific benefit in social security contributions for the 12 months following the date of hiring. This benefit will be extended to 18 months if the workers enter into a fixed-term employment contract or in case of conversion of the fixed-term contract into a long-term one.

Does the law impose specific hiring quotas on employers for workers over a certain age? If so, what sanctions can be imposed on companies for non-compliance with these quotas?

No.

Are there any tax advantages for companies that hire workers over 55?

No, currently there are no specific tax advantages applicable to the hiring of workers aged 55 or over by companies.

Does the law impose special training obligations that employers must meet when hiring workers aged 55 and over?

No, there are no special obligations in this case. Employers have training obligations in some specific situations (for example, when they change the duties of employees or in the event of an apprenticeship contract), but these obligations apply to all workers and not only for those aged 55 or over.

Does the law impose special health and safety obligations which employers must meet when hiring workers over 55?

Yes.

Generally speaking, employers must assess all the hazards associated with the duties of workers. However, employers must also take into account the specific hazards associated with the workers' age. Therefore, employers must meet additional obligations when hiring workers aged 55 or over. For example, if employees aged 50 or over work with a screen, medical examinations should be performed every two years, and not every five years as provided for workers under the age of 50.

# What are the legal consequences of dismissal without cause of a worker aged 55 or over?

There are no specific legal consequences for the wrongful dismissal of workers aged 55 or over. However, some nationwide collective agreements provide for certain special consequences. For example, most nationwide collective bargaining agreements for managers provide additional months of salary for severance pay in the event of wrongful dismissal, depending on the length of service and age of the workers.

In addition, the workers' age may be taken into consideration by the judges (as one of the conditions of the parties) in order to fix the amount of severance pay for wrongful dismissal.

# What is the legal retirement age? Does reaching the legal retirement age automatically give rise to the termination of employment?

As of January 1, 2019, the retirement age is 67 (with a minimum period of 20 years of contributions to social security).

However, reaching the legal retirement age does not automatically lead to the termination of employment. Indeed, reaching the legal retirement age simply empowers the employer to unilaterally end the employment relationship.

Is it standard practice in collective agreements at any level (that is, country, province, sector or company) to include clauses that favor the hiring of workers aged 55 and over?

Nationwide collective agreements do not establish such clauses, although there are some such collective agreements that provide for a special type of contract called the reinsertion contract (contratto di reinserimento) that encourages the hiring of certain categories of workers, including those aged 50 or over.

On the other hand, second-level agreements (that is, company-level agreements) may include clauses that favor the hiring of workers aged

55 or over, even though, in practice, it is more usual for such agreements to provide provisions for encouraging the hiring of the youngest.

Is it standard practice for collective agreements at any level (that is, state, provincial, sector or company) to regulate the early retirement of workers aged 55 or over?

No, it is not standard practice. However, in some cases employers can agree with unions on the early retirement of workers aged 55 or over in order to encourage the hiring of younger workers (the so-called *scivolo pensionistico*).

Can workers over 55 qualify for early retirement? If this is the case:

- What requirements must be met?
- Will the amount of the pension be reduced with respect to the amount that would be received when retiring at the legally established age?

Workers of 55 or over may qualify for early retirement if they meet certain requirements. For example, below are four types of early retirement currently in effect:

- The so-called *opzione donna* is an early retirement option reserved for women aged 58 or over who have contributed to social security for at least 35 years.
- The so-called *pensione anticipata contributiva* offers workers aged 64 or over the possibility of retiring if they have contributed to social security for at least 20 years since January 1, 1996, provided that certain additional requirements are met.
- The so-called *Quota 100* allows workers aged 62 or over to take early retirement if they have contributed to social security for at least 38 years.
- Companies with more than 1,000 employees have the option (within the framework of a reorganization or reindustrialization process) to sign an agreement with the unions and the Ministry of Labor to hire new workers (under the *contratto di espansione*) and incentivize employees close to retirement to voluntarily end their employment relationship.

# Do workers over 55 who are dismissed often sue the employer for discrimination?

Dismissal of workers based solely on age is discriminatory and therefore null and void. However, in practice, although the dismissal is based on other causes, it is not uncommon for workers aged 55 or over to sue for discrimination based on age.

In the event of a workforce adjustment plan/collective dismissal, can employers randomly choose the employees affected, including those over 55? Is specific protection against dismissal granted to workers aged 55 or over?

No, in the event of collective dismissal, employers cannot randomly choose the employees to be dismissed, but must instead apply specific criteria. However, no specific legal protection is provided for workers aged 55 or over. The legal selection criteria, to be applied together, are as follows:

- Length of service (Last In First Out)
- Dependent relatives
- Technical, organizational and production needs

However, the company can choose which workers to dismiss according to different selection criteria agreed upon with the unions. In reality, however, proximity to retirement is often adopted as the selection criterion during the collective dismissal procedure. In practice, the use of this criterion makes it possible to choose the employees who will suffer the least harm due to the dismissal, because they will soon be able to replace the loss of salary with their pension.

# What percentage of workers over 55 are unemployed, relative to the overall unemployment rate?

In the first quarter of 2019, the percentage of the unemployed population aged 55 or over was 6.0%, according to data published by the Italian Statistics Institute (ISTAT). By comparison, the national unemployment rate was 11.1%.

# **Good Practices**

No case studies from Italy were included in the first study on senior citizens in the labor market, Two cases of good aging practices in this country are given below.

Company	Coop Adriatica
Revenue	€2,833 M
Number of employees	9,725
<b>Business sector</b>	Retail, Consumption
Based in	Italy



Company	Coop Alleanza 3.0
Revenue	€6,235 M
Number of employees	22,429
<b>Business sector</b>	Retail, Consumption
Based in	Italy



#### Context

Coop Adriatica was a consumer cooperative of the Coop Italia system (Consortium of Italian Consumer Cooperatives) with a large network of supermarkets and hypermarkets in the Italian regions of Emilia Romagna, Veneto, Marche and Abruzzo. On January 1, 2016, it merged with Coop Consumori Nordest and Coop Estense to become the largest Italian and European consumer cooperative: Coop Alleanza 3.0.

In 2009, **Coop Adriatica** had more than 8,000 employees, approximately 500 managers and office employees, and around 7,800 dedicated sales employees. Of these employees, 75% were women and only 4% of those with long-term contracts were aged 45 or over. Interestingly, the company placed a lot of trust in its older workers, due to their professionalism and dedication to work; there was therefore a special interest in retaining them in their jobs.

## **Objectives**

In 2003, as a result of the negotiation with one of the unions representing the workers of the cooperative, the *Area Emilia 2003-2005* contract was signed. This contract included a "protocol for the development of positive actions in terms of equal opportunities, solidarity, and reconciliation of work and private life." The protocol included specific measures for senior citizens and others of global scope throughout the company.

# **Description of Good Practices**

#### 1. Retravailler initiative

This initiative consisted of a recruiting program aimed especially at women aged 45 or over and financed by the European Social Fund. Women who had been laid off before reaching retirement age were recruited to offer them a new job opportunity. At that time the company wanted to hire more people

<sup>&</sup>lt;sup>1</sup> European Foundation for the Improvement of Living and Working Conditions (2009). "KSB AG, Germany: A comprehensive approach."

and the cost of training new employees did not affect the company's budget, so the unions did not oppose the initiative.

Of the 15 women who participated in the program, eight were hired at the end of the training period.

The initiative was very successful since not only was it possible to hire valuable people for the team, but there was also a very significant change in attitude towards the hiring of older people by the company.

Such was the success of *Retravailler*, that more similar initiatives were carried out years later which resulted in the hiring of many people over 45, especially women.

These new initiatives were carried out in collaboration with training institutions financed by the European Social Fund, although the company also hired people from this collective directly and through its own means.

Between 1996 and 2004, the cooperative hired 124 people aged 45 or over with permanent or temporary contracts. Time and again these hiring decisions proved to be strategically favorable to the company, as the people affected demonstrated a very high level of commitment both to their work and to **Coop Adriatica**. In addition, these people were more flexible and willing to change their shifts or tasks depending on the needs of the business.

#### 2. Review of development and career management policies

Thanks to the greater awareness and recognition of older workers at **Coop Adriatica**, it was decided to review the way in which the careers of company employees were managed, which to date had favored younger workers.

The cooperative launched a self-designation system for promotions. Thanks to this process, employees did not have to wait for their bosses to consider them for promotion to another position, but instead could apply for the vacancy as soon as they knew about it.

Self-appointed candidates were evaluated both by a team of psychologists specialized in labor relations and by their managers. The evaluations of the psychological team and the managers had equal weight in the final promotion decision.

An example of the success of this measure was the case of a 50-year-old employee who applied for a butcher's job and was later promoted to store supervisor.

## 3. Work flexibility

All employees who worked at the checkout counter (20% of whom were aged 45 or over) had the option of organizing their time flexibly thanks to the so-called "island schedules." Prior to the implementation of this system, workers had to adhere to the schedule set by their managers.

This new system, which started with a pilot group in Bologna, gave employees more autonomy to manage their shifts and thus to reconcile work with their personal lives. Hundreds of hypermarkets of the cooperative organized their

workforce in "islands" (groups of 20 to 25 employees), who communicated their preferred shifts five days in advance for their subsequent approval by the supervisor or manager (with adjustments, if necessary).

The result of this measure was very positive for the company since the workers expressed their satisfaction with these so-called "island schedules." For many, this measure meant being able to spend more time with their families and, in particular, to better organize their family responsibilities.

#### 4. Senior leave

An initiative especially designed for older employees in **Coop Adriatica** is leave of absence of up to six months to help care for grandchildren during their first year of life. In this way, employees can not only enjoy time with their grandchildren, but also help the parents with their new family responsibilities and with the reconciliation of working parents.

Company	Azienda Napoletana Mobilità Spa
Revenue	\$235 M
Number of employees	>3,000
<b>Business sector</b>	Transport
Based in	Italy



# Context

The Azienda Napoletana Mobilità Spa (ANM) is a leading public transport company in the city of Naples, serving half a million people on its bus network daily. In 2003, ANM obtained the SA 8000 certificate, which accredits the company as a benchmark in respect for human and worker rights, and as a responsible company that carries out its activity in accordance with work ethics.

The bus drivers' collective is dominant in **ANM**, so Human Resources policies are directed predominantly towards them. Most of these people (60%) are aged 45 or over and the company affirms that they value their experience. Furthermore, **ANM**'s relationship with the unions is collaborative, which once again demonstrates their interest in the well-being of their workers.

#### **Objectives**

Initially, **ANM** developed initiatives to improve the quality of life at work for its older employees. This was partly motivated by union negotiations, which called for greater job flexibility for this group of people.

Later, other initiatives were developed to keep older employees motivated in their jobs.

# **Description of Good Practices**

The company has been improving its schedule and shift flexibility policies for drivers over the past 15 years.

#### 1. Free weekends

In order to reduce absenteeism and sick leave for older employees, **ANM** introduced a flexibility initiative that significantly improved their working conditions.

Previously, unions had requested that senior drivers work part-time driving and the remainder of their workday devoted to other tasks. However, another type of initiative for older employees was negotiated: free weekends every week. Older workers could then opt not to work complete weekends.

This measure turned out to be very effective in motivating older employees and reducing their absenteeism rate. Previously, the system planned for all workers to have one day off after five days of work.

To cover the shifts of older workers in these weekend periods, **ANM** hired more younger drivers, who were later hired full time at the company.

The initiative was well received and had many participants. However, at one point, there was a sudden shortage of available employees to stand in for older employees on weekends.

At that point, the company considered eliminating the program, but, faced with union pressure, a new solution was reached. Thanks to collective bargaining, modifications were introduced in the program allowing all workers, whatever their age, to benefit from job flexibility. **ANM** agreed with this new shift in conditions, as it had been observing that younger drivers, after years of service and experience, were demanding better working conditions.

#### 2. Successive shifts

As a result of the modifications to the job flexibility program, the measure of offsetting weekend shifts for older employees began to be phased out in favor of a system of successive shifts for the entire workforce.

This system introduced improvements in working conditions for workers of all ages which required them to be available throughout the day to perform fragmented shifts. In exchange for the fragmented schedule, employees got more Saturdays and Sundays off.

#### 3. Shorter routes for seniors

Another measure implemented at **ANM**, this time exclusively for older workers, was to assign shorter or easier routes to this group. This measure helps to prevent older workers from getting fatigued and worn out in their daily work.

#### 4. Fixed shifts

Workers who needed to do so for health reasons (which is more often the case with seniors) could apply to join a fixed shift. In this way, their working conditions were improved, as they could enjoy greater stability in the management and planning of their personal time and state of health.

### 5. Other proposed initiatives

In addition to the flexible scheduling, **ANM** considered addressing other relevant aspects for the quality of the working conditions of its workforce. Among others things, the company planned to study and improve the ergonomic factors that affect drivers (since their work was performed mostly behind the wheel), the design of this job, and the promotion of healthcare for this group.

The company had realized that the vibrations caused by the poor condition of the roads in Naples were harmful to those who had to drive for many hours a day, and it wanted to find ways to alleviate this problem. In addition, drivers demanded more comfortable and better conditioned buses that, for safety reasons, offered them their own space, isolated from the rest of the passengers.

In general, **ANM** has always been concerned with identifying potential improvements in the working conditions of its employees, especially with regard to bus drivers, who make up the majority of its workforce. Continual collaboration with the unions and work ethics certification are testament to the company's interest in its employees. It has also dealt directly and constructively with the age management of its workforce.

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# APPENDIX 1. THEMATIC GROUPING OF GOOD AGING PRACTICES

Seguridad y salud laboral	Organización y entorno de trabajo	Desarrollo Profesional	Modelos flexibles de acceso a la jubilación	Preparación para la jubilación	Beneficios por edad	Sensibilización y reconocimiento de la aportación de valor	Reemplazo generacional y sucesión
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			COLUMN WITH SELECT		COLLEGE SCHOOLS	COLDEA COMMIN	
Namiali	Namiali	Namiali			Namiai	Naantali	
anm	anm				anm		anm
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DAIMLER	DAIMLER	DAIMLER	DAIMLER		coop	DAIMLER	
DARTEX	DARTEX						
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25		25			25	25	25
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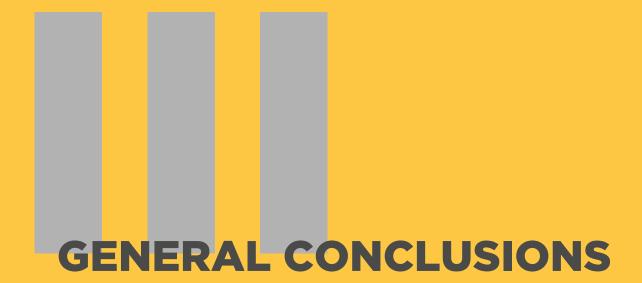
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# III.1 GENERAL CONCLUSIONS FROM THE SOCIODEMOGRAPHIC STUDY

Due to the size of their populations, their belonging to different territorial areas, their trajectories and their current demographic characteristics, the nine countries selected are highly representative of the EU as a whole. From the common features in all of them and the differences that can be seen in its major regions: north, south, east and center-west.

The demographic context, common to all of them, is defined by low fertility, compensatory immigration and an aging population. Labor markets are being affected by a slowdown in supply at the base of the labor pyramid and growth in the importance of the over 50 age group. Young people are the future, but it is seniors who will secure the future of the job market.

Widespread aging, gradual recovery from the crisis, and the tendency to retire later, have led to the ubiquitous growth of the active population and the number of jobs for seniors. In general, growth has been greater among women than among men, although the disparity between the sexes has been attenuated to the point that it has almost disappeared in some countries.

As a consequence of the increases in question, the active and employed older population has grown as a proportion of the overall active and employed population.

The highest percentages of active and employed are concentrated in the 55-59 age group. The figures drop significantly from 60 to 64 and intensively from 65 onwards. In almost all cases, percentages above 70 are negligible.

- There are no particularly large unemployment rates among seniors, nor any recent widespread increases. The case of Spain is the worst, with the highest rate, which has also grown in recent years.
  - Self-employment among seniors in on the rise, although the actual numbers are not particularly relevant.
- Part-time employment is also increasing, although it is below that of full-time employment in all countries except the Netherlands.
- As in the population as a whole, the vast majority of older workers are concentrated in the service sector. The main branches of activity are those in which intellectual—rather than physical—work prevails: healthcare, commerce, professional and educational services.
  - Professionals, technicians and associated professionals, and sales and maintenance personnel are the major occupations. A difference in "quality" between the occupations of men and women can be observed.
  - Improvements can be seen in the educational level of seniors: there are fewer primary and lower secondary school graduates and more higher secondary and tertiary ones.
  - In general, the average duration of working life is increasing, which in some countries is already as high as 40 years, a figure that all countries should be aiming for.
  - The age of receipt of the first pension is around 60 years: either a little earlier or later depending on each country.
  - There are significant differences in early retirement, with a Mediterranean early-departure model and a northern European model of later withdrawal.

The same differences can be seen in relation to the reduction of working hours in the transition to retirement: the Nordic countries (and also the Dutch) do so more, while the Mediterranean countries do so much less.

Companies and management should be aware that there are significant percentages of retired seniors who would have preferred to be able to continue working: sometimes for reasons related to the pension itself and due to other non-financial considerations.

For those in this situation, the key reasons behind retirement are health issues or having reached the legal age.

In this brief synthesis, we wanted to point out general trends that occur with more or less intensity in different countries. For this purpose, we have left out a great deal of information and nuances. The differences between the countries are expanded upon in the general part of this study—which may occasionally be overloaded with information—dedicated to analyzing the data; these differences can be deduced from examining the tables and charts, which we believe constitute one of this report's essential contributions.

In equally broad strokes, some other conclusions can be drawn from reading the information.

We believe we may reasonably affirm that there is a Nordic model in the work of seniors, as exemplified primarily by Sweden and, to a lesser extent, by Finland. This model is characterized by high activity and employment rates of seniors in the different age groups from 55 onwards and a very egalitarian participation of the sexes in that segment of the employed population. They also have (together with Germany) the highest percentages of the senior population in the workforce as a whole and low unemployment rates. One in three Swedes or Finns aged 55 or over perform part-time tasks, mainly in services. They have the highest percentages (along with the Netherlands) of professionals and technicians, with fairly equal numbers of men and women. They also have very high proportions of seniors with tertiary education, especially among women (Finland 50% and Sweden 41%). The duration of their working life is one of the highest in the sample (in Sweden it is close to 42 years) with the average age of receiving the first pension standing at over 60 years old (Sweden holds the record at almost 64). Finland, for its part, has the lowest early retirement percentage of the group and one of the highest numbers of seniors who reduce their work rates during the transition to retirement.

In the eastern part of the EU, Poland has some specific features that make it unique and others that liken it to the countries of Southern Europe. It is the country where employment has grown the most in relative terms (71% between 2008 and 2017), especially in the case of women (100.76%). Despite this, it still has one of the lowest participation rates of the senior employed

population in the overall employed population (a feature it shares with Spain) and one of the largest disparities in the participation of each gender in the employed population: 58% of men vs. 42% of women. This trait also resembles what happens in Spain and Italy and, in this case, the Netherlands. The similarity with the Mediterranean countries is apparent once more in the relatively low rates of employment by age group (only 64% from 55 to 59 years old, not far from Italy's 63% and Spain's 61%). However, it distances itself from southern countries, especially Spain, due to its lower unemployment rate. Part-time employment (small) is again similar to that of Spain or Italy, but it differs from them and in fact from all the other territories in that it has the highest percentages of population employed in the primary and secondary sectors. This means that of the nine countries, Poland has the lowest number in the tertiary sector. Men hold twice as many jobs in the primary sector and in industry as women, who are more present in the tertiary sector.

Another of the peculiarities of the Polish model is that it has the highest percentages of seniors with Level II studies, especially in the case of men (75%) who, on the other hand, have the lowest number of higher education graduates. The presence of more seniors in the job market does not prevent Poland, along with Italy, from having the shortest working life of the nine countries (33 years). It also has one of the earliest average ages of receiving the first retirement pension (57 years), although the percentages of early retirement (44%) are lower than those of Spain (59%) and Italy (73.5%). The strategy of reducing the rate of work at the end of the working life is not highly developed (10%) and very few people receiving a pension would have preferred to continue working (7.4%). Everything suggests that the Polish model, which is no doubt similar to that of other eastern European countries, is an unusual model, given some features that we do not find repeated anywhere else. However, it is equally true that it shares quite a few features with the Mediterranean model and differs significantly from Nordic and central-western European ones.

In the southern model, Spain and Italy share some features, although there are also differences. Activity and employment are on the rise in both countries, although more so in Italy than in Spain. Female employment in both is also growing faster than its male counterpart—once again more so in Italy than in Spain. This results in Italy having a participation of seniors in the total employed population four points higher than Spain (20% and 16% respectively). In contrast, Spain has a higher percentage of older women in the overall employed population than Italy. These differences indicate quantitative differences in processes that are similar. The employment rates by age group are also very similar, with low and very similar values in all groups from 55 onwards. As already noted, both Italy and Spain coincide in this case with Poland. One difference—in this case an important one—is the disparity in unemployment rates, with Italian rates at half those of Spain (6% vs. 15%). The figures coincide once again in the distribution of employees by sectors and branches of activity. And the percentages of part-time employment are also similar. Nor are there appreciable differences in occupation, except as regards educational levels. Spain has more Level I seniors (primary and lower and secondary and lower), fewer at Level II (higher secondary) and somewhat more in tertiary education. These differences are apparent in both genders. The duration of working life is similar in both countries. Also similar are the ages of receipt of the first pension (around 60), and although in both countries the percentages of people taking early retirement who receive a pension are high, the Italian values are higher than those who reduce their working hours in transition to retirement. On the other hand, Spain has better relative figures in the group of pensioners who would have liked to continue working.

There are therefore both differences and similarities between Italy and Spain in the Mediterranean area. Both countries seem to follow parallel paths in the growth of seniors in the labor market—although the Italian path is faster—and both have room to grow, since the percentages of employment above 55 are still small. Italy is better equipped, since the educational levels of its seniors are somewhat better. These disparities will gradually correct themselves over time, so that in a few years the similarities will increase and the differences will diminish. In any case, the Mediterranean model is similar in many ways to the Eastern European one (Poland), and differs from that of the Nordic and other European countries.

In the final set of countries (Germany, France, the Netherlands and the UK) we have grouped together countries that, in many regards, are different from each other but which share similar trends in the subject matter at hand.

As in the rest, we again see growth in the active and senior employed population, at a lower rate in the UK than in the other three. And the pattern is the same with the growth of the older female population, which in all cases is narrowing the gap that separates it from the male population. All of these countries have a high percentage of participation of seniors in the overall employed population, with Germany at the top (22%) and France at the bottom (17%).

Employment rates from 55 to 59 are high and even rival the Nordic ones, although they fall well below the latter in the 60 to 64 age group. The situation in the east and south, as we know, is very different. In all four countries, unemployment rates are low and all reflect a strong tertiary economy, with percentages of seniors in the service sector at between 70% and 80% of the population aged 55 and over.

The Netherlands stands out in the group as having the highest percentage of seniors working part-time (53%), in comparison to only a third in Germany and the UK and just 25% in France.

By specific branches of economic activity and by levels of occupation, the four countries reproduce the distribution of the whole and here is nothing particularly worthy of mention. It is true that there are high percentages of seniors with secondary and tertiary education—with better figures for men than for women—and the long duration of working life in all cases rivals those of the Nordic group. The age of receipt of the first pension is around 60, with the Dutch holding the record (63 years) and the British (23%) having the lowest percentage of people taking early retirement. In this group, the Netherlands takes the podium once again for having the highest percentage of people who reduce their working hours in transition to retirement.

There are therefore four groups of countries with common elements that individualize them and differentiate them from each other. Three of them are made up of more than one country, each of which, of course, has its own characteristics that define different trajectories that correspond, however, to a similar pattern.

In a quintessential synthesis, we would say that the presence of seniors in the labor market is greater (in relative terms) and better in the Nordic countries. It is good in the countries of Central and Western Europe where some countries may rival the Nordic ones, and worse in Poland and Southern Europe, especially in Spain. There is room for improvement in all of the countries, but in our country the path will be longer because we are starting from a position of comparative delay. Fortunately, there are models to imitate with more generous legislation and good business practices.

# III.2 ANALYSIS OF THE APPLICABLE LEGAL LABOR FRAMEWORK IN SPAIN

In general terms, Spanish legislation is not significantly different from that of other countries in the European Union (Germany, Finland, France, the Netherlands, Italy, Poland, the United Kingdom and Sweden) regarding the hiring of workers over or approaching 55

In any case, it should be pointed out that although some European countries foresee innovative regulations in some issues, regulations that are even more beneficial than the Spanish regulations in certain aspects, the specific characteristics of each country must be analyzed in detail in order to determine the most effective regulations for this group of workers and for the labor market in general; these aspects include the life expectancy of each country's citizens, the unemployment rate of young and old workers, the financial solvency of the social security system, and others.

Without prejudice to the detailed analysis of the legislation applicable to the recruitment of workers aged 55 or over in the aforementioned countries of the European Union (Chapter II of this publication), the following consists of an analysis of current Spanish legislation in the light of those European laws:

# A) LABOR CONDITIONS APPLICABLE TO THE HIRING OF WORKERS OVER OR APPROACHING 55

In general, and in terms similar to those provided for in Spanish regulations, the laws of the European countries analyzed do not regulate the labor conditions that are exclusively applicable to this group of workers, beyond protection against dismissal in the terms provided in g) below. However, there are some exceptions in Italy, the Netherlands and Poland.

Indeed, the Italian regulations provide for the application of specific labor conditions for the hiring of this group of workers, and we may cite as an example the existence of a specific employment contract for workers over 55 (the so-called intermittent/occasional employment contract), as well as the fact that workers over 50 do not count for the purposes of calculating the maximum number of fixed-term employment contracts allowed by law.

In the case of the Netherlands, once the legal retirement age is reached, the employer may decide to maintain the worker's employment relationship, or may enter into a new employment contract with a worker who is entitled to a retirement pension, applying for these purposes specific conditions for this group of workers, for example shorter notice periods than those applicable to other workers (special notice of one month compared to the general legal notice of one to four months). Similarly, attention is drawn to the possibility

of concatenating a greater number of fixed-term employment contracts than allowable by law to other workers, such that a maximum of six fixed-term employment contracts can be concluded in the Netherlands during a maximum period of four years with a worker who has reached the legal retirement age (if this maximum is exceeded, the last temporary contract will become, by law, a long-term employment contract) while for those who have not yet reached the legal retirement age the law the concatenation of no more than three fixed-term work contracts over a maximum period of two years. Likewise, it is usual for collective agreements to include specific provisions relating to older workers, for example regarding working hours, shift work, additional leave, etc.

For its part, Poland only allows employers to unilaterally modify the working conditions of a worker about to reach retirement age in the next four years when such modification is justified by (i) the adoption of new salary rules that affect all workers of the company or the entire professional group to which the worker in question belongs; (ii) the loss of the worker's capacity to perform his or her job, confirmed by a medical certificate, or the loss of the necessary qualification to perform a certain job due to the fault of the worker.

## B) BENEFITS OR BONUSES IN SOCIAL SECURITY CONTRIBUTIONS WHEN HIRING WORKERS OVER OR APPROACHING 55

Spain, Italy and Poland grant bonuses in social security contributions to hire workers over a certain age. While in Spain these bonuses apply to the hiring of workers aged 52 or over receiving unemployment benefits, disabled workers aged 45 or over and workers over 65 and 67 years of age who have completed a minimum contribution period, Italy grants these bonuses for hiring workers aged 50 or over. Similarly, Poland exempts employers from the obligation to pay contributions to the Labor Fund, the Guarantee Fund for Labor Benefits and the Solidarity Fund on the remuneration paid to female workers aged 55 or over, to male workers aged 60 or over and to workers aged 50 or over who have been unemployed for at least 30 days prior to the start of the employment relationship.

In the same vein, while the Finnish authorities grant the employer a subsidy to cover the salary costs of an unemployed worker over 60, the German authorities pay employers a joining subsidy when hiring workers aged 50 or over.

Notwithstanding the above, Swedish regulations are notable in that they establish a system of social security contributions payable by the employer which decrease depending on the worker's date of birth, which no doubt promotes labor continuity of workers with longer service in the company, who are generally the older ones.

#### © RESERVED QUOTA FOR WORKERS OVER OR APPROACHING 55

Just as in Spain, none of the countries analyzed in this publication impose on employers the obligation to hire a minimum number or percentage of workers over or approaching 55.

However, it's interesting to note that some collective agreements in France may include declarations of intent related to the recruitment of older workers.

## D) TAX ADVANTAGES IN THE EVENT OF HIRING WORKERS OVER OR APPROACHING 55

Spanish legislation does not establish any tax benefits or advantages in favor of companies that hire workers aged 55 or over. In the same vein, with the exception of the Netherlands, none of the countries analyzed establishes tax benefits or advantages of any kind.

Dutch employers may request a bonus of salary costs (*loonkostenvoordeel*) of 6000 euros per employee subject to compliance with certain legal requirements: that the worker must be 56 years of age or over, must not have reached the legal retirement age, and must not have been hired by the employer within the last six months, among others.

## SPECIAL TRAINING OBLIGATIONS APPLICABLE EXCLUSIVELY TO WORKERS OVER OR APPROACHING 55

Spanish labor law does not impose training obligations on employers which are exclusively applicable to workers over a certain age. For these purposes, it should be stated that the Workers Statute expressly entitles all workers, with no distinction whatsoever, to the training necessary for adapting to modifications made to the job; this can be developed by collective bargaining in order to guarantee non-discrimination. Along the same lines, and with the exception of Finland, the European countries analyzed do not specify special and/or additional training obligations for workers over a certain age.

Finnish companies with a normal workforce of at least 20 people must develop a personnel and training plan which should also address the special needs of older workers, and should establish general principles with a view to preserving the work capacity of employees at risk of aging.

## F) SPECIAL OBLIGATIONS IN THE FIELD OF SAFETY AND HEALTH AT WORK APPLICABLE EXCLUSIVELY TO WORKERS OVER OR APPROACHING 55

Although no special obligations are imposed, the Spanish Occupational Risk Prevention Law provides that (i) the employer must specifically guarantee the protection of workers who, owing to their own personal characteristics or known biological status, including those with a duly recognized situation of physical, mental or sensory disability, are especially sensitive to the hazards due to work; to this end, these aspects must be taken into account in the evaluations of occupational hazards and, based on these, preventive measures and necessary protection must be adopted; and (ii) workers will not be employed in jobs in which, owing to their personal characteristics, biological status or duly recognized physical, mental or sensory disability, they, the other workers or other persons related to the company place them in a dangerous situation or, in general, when they are manifestly in transitory states or situations that do not respond to the psychophysical demands of the respective jobs. In this context, risk assessments must take into account, among other things, aspects related to diversity among workers such as disability, gender and age.

Although neither Germany, Finland, Poland nor the United Kingdom impose special obligations regarding occupational safety and health exclusively applicable to workers over a certain age, it should be noted that the laws of France, the Netherlands, Italy and Sweden do include some provisions which are similar—to a greater or lesser degree—to those provided for in Spanish legislation, in the following terms:

- France: The occupational health specialist doctor may require the employer to adapt the functions of an older worker, for example by programing longer breaks or providing special work tools.
- The Netherlands: Although no special obligations are specified, employers must guarantee the physical and mental well-being of workers, which may entail the obligation to introduce adjustments in the provision of services by workers of a certain age.
- Italy: Employers must take into account specific hazards associated with the age of workers, which is why employers must comply with additional obligations when hiring workers aged 55 or over, for example more frequent medical examinations.
- Sweden: When evaluating occupational hazards, employers must take into account considerations related to the age of the worker , including potential variations in performance and health, and that the most relevant hazards for older workers are linked to heavy physical work, changes in vision, etc.

## G) PROTECTION AGAINST DISMISSAL OF WORKERS OVER OR APPROACHING 55

In accordance with the provisions of the Spanish labor legal framework, dismissal without cause of a worker aged 55 or over does not entail any legal consequence other than that applicable to any other dismissal without cause, unless the worker alleges and legally proves that his or her dismissal constituted an act of age-based discrimination. In this case, the dismissal would be declared null and the worker would have the right to readmission and to payment of the salaries not received from the date of dismissal until the date of notification of the sentence, in addition to the possibility of receiving severance pay for damages if a violation of fundamental rights is proven (discrimination based on age). Polish law also imposes the reinstatement of any worker dismissed four years before reaching legal retirement age, if the reasons for the dismissal are not proven (such dismissal can only occur in the context of bankruptcy proceedings or on the occasion of the liquidation of the company). Similarly, in the United Kingdom, if age has been a determining factor in dismissing a worker, this will constitute discrimination based on age.

On the other hand, in relation to the rest of the European countries analyzed, it is interesting to note that legislation (Finland), collective agreements (France, Italy), social plans (Germany) and even the Courts of Justice (France, the Netherlands and Italy) all take into account the age of dismissed workers in determining the amount of severance pay (in some cases also based on length of service) or even to establish longer notice periods (Germany), which is not the case in Spanish legislation. So, in the event of dismissal, the workers' age and their chance of finding employment in consideration of their profession, education and training play an important role.

On the other hand, regarding the selection criteria to be taken into account in a collective dismissal, Spanish legislation recognizes priority of permanence for the legal representatives of the workers over other workers affected by a collective dismissal, although this priority may also benefit workers belonging to other groups if so provided for by collective agreement or the company and provided that the legal representatives of the workers had so agreed in the consultation period (for example, workers over a certain age). Countries such as Italy, the Netherlands and Sweden include, as a legal selection criterion, the "Last In First Out" rule, which benefits the longest serving workers in the company, who are usually also the oldest ones. In any case, these criteria may be qualified by collective agreements or during the collective dismissal procedure, as would be the case in Germany (where age and length of service play a decisive role in selecting the workers affected by the collective dismissal), France (where, in general terms, the older the worker, the less likely he or she will be selected to be dismissed, although it is possible for other selection criteria to affect older workers, such as family responsibilities or performance) and Italy (where proximity to retirement is usually adopted as the selection criterion during the collective dismissal procedure).

#### H) REACHING RETIREMENT AGE AND TERMINATION OF EMPLOYMENT

In the case of Spain, reaching the legal retirement age does not automatically lead to termination of employment, as this would constitute an act of discrimination based on age. A few countries contain protection similar to that provided by Spanish legislation, such as Poland (where the retirement age varies depending on the gender of the worker) and the United Kingdom.

However, the laws of Finland, France, the Netherlands, Italy and Sweden differ from Spanish regulations in the sense that reaching the legal retirement age or a specified age empowers the employer to terminate the employment contract without cause.

In this sense, Finnish legislation establishes different legal retirement ages which vary, taking into account life expectancy (for example, the earliest legal retirement age varies from 63 to 65 years for workers born between 1954 and 1964, while the legal retirement age of workers born in 1965 or later will be indicated by the Government and published in the year in which the worker turns 62). Although reaching the earliest legal retirement age does not automatically lead to termination of employment, the employer may terminate the employment contract, without notice, at the end of the month in which the worker reaches the last legal retirement age (currently 68 for those born in 1957 or earlier, 69 for those born between 1958 and 1961, and 70 for those born in 1962 or later).

Similarly, French employers may compel workers to retire, without their consent, upon reaching the age of 70. Likewise, Dutch employers may terminate the employment relationship without prior approval from the Courts of Justice or the Social Security Agency when a worker reaches the age of access to the state retirement pension (*AOW-leeftijd*), currently 67, or when the employment contract had included a termination clause linked to the age of access to the state retirement pension, without in any of these cases the worker being entitled to severance pay. In any case, Dutch employers may maintain an employment relationship with a worker who has reached the legal retirement age or may enter into a new employment contract with a worker entitled to the statutory retirement pension, in which case specific provisions will apply regarding notice, concatenation of fixed-term employment contracts, etc., as discussed in a) above.

Although reaching the legal retirement age does not automatically lead to the termination of employment, it does entitle Italian employers to unilaterally terminate the employment relationship.

In the case of Sweden, workers are only entitled to maintain their employment relationship up to 67 years of age and once that age is reached, the employer may terminate it the relationship with one month's notice, without cause, within the framework of a dismissal similar to objective dismissals for financial/production/technical/organizational reasons or to collective dismissals as provided for in Spanish legislation or even for personal reasons. In any case, the Swedish government proposes to increase this entitlement to 68 years of age in 2020 and 69 years of age in 2023.

Finally, it should be pointed out that although in Germany reaching the legal retirement age does not automatically lead to termination of employment, this issue is indeed addressed in individual employment contracts or even in collective agreements.

## I) PROMOTION OF HIRING WORKERS OVER OR APPROACHING 55 THROUGH COLLECTIVE BARGAINING

As in Spain, it is not standard practice in Germany, Finland, the Netherlands, Poland, the United Kingdom or Sweden for collective agreements to include favoring the hiring of workers over or approaching 55.

However, Italian and French collective agreements usually include clauses favoring the hiring of older workers of a specific age. Indeed, while French collective agreements usually include clauses favoring the hiring of workers aged 55 or over (although these clauses are written as mere declarations of intent that have no binding effect on employers), some Italian state collective agreements they regulate the figure of the return-to-work contract (contratto di reinserimento) which encourages the hiring of workers aged 50 or over. Similarly, Italian collective bargaining agreements usually include clauses that favor both the hiring of workers aged 55 and over and the hiring of young workers.

#### J) EARLY RETIREMENT

Early retirement is regulated in Spanish, Finnish and Polish legislation. Furthermore, requirements for taking it are not regulated by collective bargaining.

It should also be noted that although German, French and Italian legislation regulates early retirement, some collective agreements do include provisions for this type of retirement. For example, while Italian employers may come to an agreement with the unions on the early retirement of workers aged 55 or over in order to encourage the hiring of young workers, some German companies have their own retirement models, especially in the metalworking and electrical sectors. Very few French collective agreements regulate the early retirement of workers aged 55 or over (airline pilots).

The opposite is true in the United Kingdom and the Netherlands. Indeed, there are no national legal provisions in the Netherlands regarding early retirement, and workers may access the contractual pension agreed with the employer in advance, but not the state pension. In the case of the United Kingdom, company pension plans may not allow retirement and access to the retirement pension before the age of 55; from this age onwards, the worker would be able to receive a pension in accordance with the rules of the pension plan, although the amount received would be less than the pension to be paid when the worker reaches the age set for pension purposes.

#### W UNEMPLOYMENT RATE FOR WORKERS OVER OR APPROACHING 55

Spain currently has one of the highest unemployment rates for workers over 55 in the European Union. Indeed, according to data published by the Public State Employment Service as of June 2019, while people between 45 and 54 years of age represent 26% of the recipients of unemployment benefit, those of 55 and over represent 32%.

Countries such as Finland and Poland have a similar, though lower, unemployment rate than that recorded in Spain (27.2% of the unemployed in Poland are aged 50 or over, and 26.36% of job-seekers in Finland are 55 or over).

However, the remaining European countries analyzed have an unemployment rate significantly lower than the Spanish one: around 5%, according to data published to date. For these purposes, it should be noted that the percentage of the unemployed aged 55 years and over in Italy, France and Sweden is 6%, 6.7% and 4.5% respectively. For its part, the unemployment rates for male and female workers aged 55 to 75 in the Netherlands are 3.9% and 3.5% respectively, with the United Kingdom being the country with the lowest rate of unemployment among people aged 50 to 64 years old (2.8%).

# III.3 GENERAL CONCLUSIONS FROM GOOD PRACTICES

There is a large starting difference regarding the age of exit from the labor market between our country and the countries of Northern and Central Europe. In our case, Spain's starting point is an instilled culture of early departure (today the age group with the highest occupancy rate is the 40-45 year one, and people in the next age group are already beginning to leave work, first very few, and then a lot more, with on a minority of workers over 60 continuing to work, especially for others).

The countries of Northern and Central Europe, come from a culture in which working life does get depleted, and companies do everything possible to continue taking advantage of their seniors' talent, even if this makes management rather complicated.

It is true that, given our demographic circumstances, government is expected to tighten rules regarding the early exit of workers from the labor market, and therefore companies are aware that at some point they will have to vary their strategies concerning workers withdrawing from their jobs due to their age. In our country, however, it is difficult to find global good practices with this end in view.

One can observe a certain duality in the labor market regarding the exit of workers. In large companies, this exit is usually made much earlier thanks to pre-retirement plans, since they have resources available for their implementation. Next is the exit in medium-sized companies and finally in the case of self-employed workers—who tend to delay their final retirement.

Companies in general have not taken on board that there are various reasons why they will need to extend the working life of their workers. The first reason will be the legal imperative, since stricter measures concerning early abandonment can be foreseen. Secondly, due to the difficulties that the attraction, selection and incorporation of young talent will have due to its scarcity and the inadequate adaptation of skills to market demand. And, thirdly, companies must take into account their reputations, since at some point society will begin to look down on those companies that shorten the working lives of their workers, thereby transferring the problem and the associated costs to society at large.

However, year after year, we see companies that are dealing with this new reality and beginning to take initiatives to lengthen the working lives of their managers, technicians and workers.

Most of the cases identified in the first study of good practices (2018) just as in the present one, are partial cases that affect a particular collective and that implement a limited set of initiatives, with only a few cases of companies that have addressed the issue from a global strategic perspective, as is very often found in many European good practices.

We continue to have to look to European countries as a source of inspiration, since the North American demographic reality and its labor market rules are quite different, in terms of life expectancy, birth rate, immigration, social protection and market regulation; this makes age less of a significant factor than it is in Europe and in our own country. This means that European countries have no choice but to innovate in this area. Furthermore, they can look at the case of Japan, which for demographic reasons is experiencing this "tsunami" ahead of them.

Since the presentation of the first study (2018), we have noticed a greater interest, from various institutions, in identifying the management of older talent as an important issue worth studying and taking action on; some institutions and foundations even perceive it as one of the most significant features of today's society. Similarly, works on the subject have been published this year, although there is in fact more focus on the business opportunities of aging than on the management of older talent and the lengthening of working life.

Despite all this, we have compiled, following the same methodology as the first study (2018), some good examples of European practices, and three new examples of national practices.

The study of all these new practices confirms the eight lines of action that we outlined in the first study (2018), by which the practices of managing older talent may be grouped, namely:

- Occupational health and safety: measures and actions in both health-care and prevention, to guarantee the physical and psychological well-being of older employees, thus ensuring a good level of health which in turn impacts positively on performance and levels of absenteeism. This axis connects with policies of healthcare, well-being and even happiness at work, with an emphasis on early prevention and healthy habits in order to reach the age range of 55 to 70 in an optimal state of health that does not harm worker productivity.
- Organization and working environment: initiatives launched to adapt the physical conditions of jobs to the profile of employees, as well as alternatives for the development of functions according to people's life cycle needs. These organizational and environmental changes imply a certain cost of implementation, but are key to maintaining the value contribution of older workers.
- Career development: actions aimed at achieving career growth of people in organizations, from the perspective of both career management and knowledge management, thereby avoiding the obsolescence of older employees' knowledge. We are also in the midst of a digital disruption that makes it necessary for all workers to adapt to a new way of doing things. This fact is especially complicated in the case of the oldest workers who, on many occasions, are less adaptive and have more to unlearn regarding work modes.
- Flexible models of access to retirement: new flexible and compatible work arrangements for retirement, as well as actions aimed at facilitating the transition to this new stage of people's lives. In this sense, it seems

reasonable to explore legal instruments that allow employment to be prolonged, even if it implies the considerable modification of some working conditions, including the framework of collaboration.

- Preparation for retirement: measures aimed at raising employees' awareness of the various key aspects of retirement (financial planning, healthcare, leisure, hobbies, social relationships, technology, etc.). Companies have hitherto made no effort to prepare workers for their transition into this new phase. These initiatives aim to prepare workers for all aspects—financial, relationships, hobbies, life projects—of their "second career" that they will have to address. It is important for human beings to have a purpose, and for many workers that purpose has been to build a professional career; and then, suddenly, they lose that purpose. This leads to difficulties due to lack of planning. Businesses must help their workers build and prepare for their purpose.
- Age benefits: recognition of advantages for older people both during the development of their professional activity and once they are in retirement. Within these benefits, pension plans, with their different implementation modalities, play a key role given that the gap between a worker's last salary and their public pension is sometimes very large.
- Awareness and recognition of the value contribution of older employees: measures aimed at generating an inclusive attitude towards seniors by raising awareness and valuing their contributions. This line of action is addressed to managers of companies, all workers—seniors' colleagues—and customers and society at large. In this sense, Spain is a service country: a very considerable percentage of our jobs are in the service sector; and we are not used to being served by older workers. We will have to carry out inclusive initiatives towards older workers who have the skills to carry out their activity and are willing to continue performing it.
- Generational replacement and succession: actions aimed at facilitating generational succession within organizations, ensuring an orderly substitution of workers.

These initiatives have one or more of the following objectives:

- To maintain the productivity of older employees. It is not about lengthening working life, reducing productivity for various reasons. This would produce a situation which would be difficult to maintain in relation to other groups. Rather, it has to do with preventive healthcare and well-being programs, work organization and efforts to update skills.
- To ensure the sustainability of the business with adequate transmission of knowledge from seniors to new generations before their departure through succession and replacement programs.
- To create an inclusive culture towards seniors among managers, colleagues, clients and society in general.
- To make the transition from activity to inactivity more bearable by supporting the configuration of a new purpose in the older worker and a "second career" plan that is as challenging as his or her earlier phase of working life.

All these actions must be orchestrated within an overall strategy for managing older talent and clearly represent a break with the previous labor strategy of expelling older talent from the market. However, they are completely necessary actions for successfully addressing a strategy for managing older talent and lengthening working life.

### **III.4 FINAL REFLECTION**

The study makes two main contributions. The first is to examine the characteristics of senior work and the conditions under which it is carried out in the European Union, as well as in its different regions. The comparison of the different countries selected allows us to appreciate the similarities and differences between them and the current situation of each one in relation to this segment of the working population. The data reflects different economic, social, demographic and legal components. In this investigation, our goal was to emphasize the sociodemographic and legal aspects through a specific analysis of legislation concerning workers aged 55 and over in each country.

The second main contribution, and without a doubt the most far-reaching and interesting one, is the comparison of the Spanish situation with that of other EU territories based on a thesis which the data subsequently whole-heartedly confirms: that in relation to the work of seniors, we are not exactly in the leading pack, but rather among the group of stragglers, along with other Mediterranean and Eastern European countries.

If, in the future, the work of seniors is going to be essential in a labor market with fewer and fewer young people, Spain should look carefully at those countries that are doing a better job in this arena. The six examples of Northern and Central-Western European countries are areas in which all the major interlocutors of the labor market (government, unions, companies) must strive to follow paths that are proving to be effective. These include paths that make it difficult to stop working early, that encourage continuing in one's job, that take into account the special characteristics of older workers and that provide them with any training they need.

For Spain, the road ahead—in terms of taking advantage of senior work—is long, as it is, of course, in other EU territories that share our low levels of activity among older people. But since things will necessarily have to change, it is worthwhile to have successful experiments that can help us move in the right direction. With this research, we provide useful information for the road map that must be followed. The Spanish government has examples of good legal practices that have been found to be effective. And companies have successfully applied strategies which are good for everyone: for both the companies themselves and for senior citizens who wish to continue working in adequate and productive conditions.

As stated before, this undertaking has a long journey ahead, and a difficult one, because there are many myths, prejudices and false perceptions that hinder progress in this area and that must be eliminated. These misleading ideas are unproven arguments which, however, are employed as irrefutable truths. They are well known: that seniors take away opportunities from younger people, that their productivity is lower, that they are not sufficiently trained—especially for occupations that demand a high level of technology. These are arguments that turn out to be false, are not empirically

demonstrated or, in any case, are easily refuted. The examples of good practices that we present here are good evidence of these arguments' falsehoods and serve as effective compasses pointing to the road that must be taken.

We believe that, with the two reports we have prepared and especially in this one, we have portrayed in detail the situation of the labor market for seniors both in our country and in the European Union. And we have provided the various bodies concerned with this segment of the population with material for reflection and, above all, for action. Hopefully, these studies will help more Spanish companies adopt strategies for facilitating the prolongation of the working life of people who are in the perfect physical and mental condition for it. As stated in the introduction, we can only hope that the results presented here meet our expectations.





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Between 2003 and 2018, Rafael Puyol was at the Instituto de Empresa, where he served as Vice-President of Institutional Relations, Vice-President of its Foundation and Creator of the Observatory of Demography and Generational Diversity, with which he continues to collaborate. At IE University, he also held the position

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### **Alfonso Jiménez**

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Alfonso Jiménez is currently Managing Partner of PeopleMatters, a firm he founded in 2003. He was formerly CEO of Watson Wyatt in Spain, Consultant to Arthur Andersen and Associate Partner at Andersen Consulting. Jiménez has combined his professional career as a consultant with intensive teach-

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#### **Beatriz Ardid**

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Since 2008, Ardid has advised on the implementation and improvement of the Responsible Family Company Model (EFR) and manages training, internal audits and other maintenance tasks for the EFR Certificate.

In addition, she has managed projects at the firm on employer branding, talent management, analysis and design of remuneration models and performance evaluation, design and implementation of HR master plans, facilitation of management teams, etc.

Ardid is a regular contributor to seminars and publications related to her area of expertise and a contributor to the book *Hablemos de Retribución*, (*Let's Talk About Remuneration*) with her chapter on remuneration and diversity. In 2018, in the study of *Senior Citizens Working in the Spanish Company. Realities and Challenges* by the Fundación de Instituto de Empresa, Ardid directed the analysis section of good aging management practices in national and international companies.

Ardid has solid experience in the integrated management of people, occupying managerial positions in both Spanish and multinational organizations and in various sectors: telecommunications, services, distribution, and media.

During her professional career, Ardid has developed various projects within the human resources area: start-ups in new countries, the organization and optimization of processes, talent management, variable remuneration and performance management, implementation of management and information systems, etc.

She holds a law degree from CEU San Pablo, and a Master's in Human Resources Management from IE, Madrid.

#### **Elena Orden**

#### Senior Consultant at PeopleMatters



Senior Consultant at PeopleMatters, Elena Orden has experience in people management consulting, with significant expertise in the management of corporate diversity and well-being, employer branding, organizational culture, development of corporate values, and opinion surveys, among

other areas.

Formerly, she prepared for access by public examination to the Superior Body of Labor Inspection and Social Security for three years, obtaining extensive knowledge of labor legislation, the social security system and occupational risk prevention.

Since joining the Firm, Orden has taken part in projects related to brand management as an employer (employer branding), the analysis of the human resources and master plan function, the management by objectives system, project management (PMO), generational diversity and prolongation of working life, as well as processes for obtaining the Distinction in Equality (DIE) and the EFR certification for family-responsible companies, equality diagnostics, and the Recruiting Erasmus program.

She also took part in the preparation of the first report, together with the Instituto de Empresa and its Observatory of Demography and Generational Diversity, on "Senior Citizens Working in Spanish Companies. Realities and Challenges."

She collaborates periodically with various HR media by publishing articles on current issues, including aging, conciliation, corporate well-being, senior talent, etc.

She has a bachelor's degree in law from the Complutense University of Madrid, and spent several years abroad (in Ireland and Italy). She also holds a Master's Degree in Human Resources, majoring in Compensation and Benefits, from the Garrigues Study Center and the University of Nebrija in Madrid.

#### **Cristina Morillo-Velarde**

HR Analyst at PeopleMatters



Cristina Morillo-Velarde began her professional career in research in cognitive psychology and neuropsychology. Afterwards, she ventured to Australia, where she worked in the hospitality industry, holding positions in CRM, team management, and administrative management. She sub-

sequently returned to Spain to begin her career in human resources. Morillo-Velarde currently works in the area of Corporate Diversity and Well-being at PeopleMatters.

She collaborates in organizational projects (organizational and business restructuring, master plans and strategic planning of the workforce), compensation and benefits, design of compensation strategy, internal communication, conciliation and equality. She also contributes to the development and updating of expert knowledge on diversity and corporate well-being in matters such as the management of aging in the active population, the management of diverse teams, and barriers to diversity such as unconscious biases. In addition, she periodically publishes material on these matters in specialized media.

Morillo-Velarde studied psychology at the Complutense University of Madrid and the University of Tasmania (Australia); she holds a Master's in Neuropsychology from the University of Maastricht (Netherlands) and Master's in Human Resources from the Garrigues Study Center and the University of Nebrija.

