

# The rise in statutory retirement age: Consequences for work disability and post-retirement healthy life years in the Netherlands

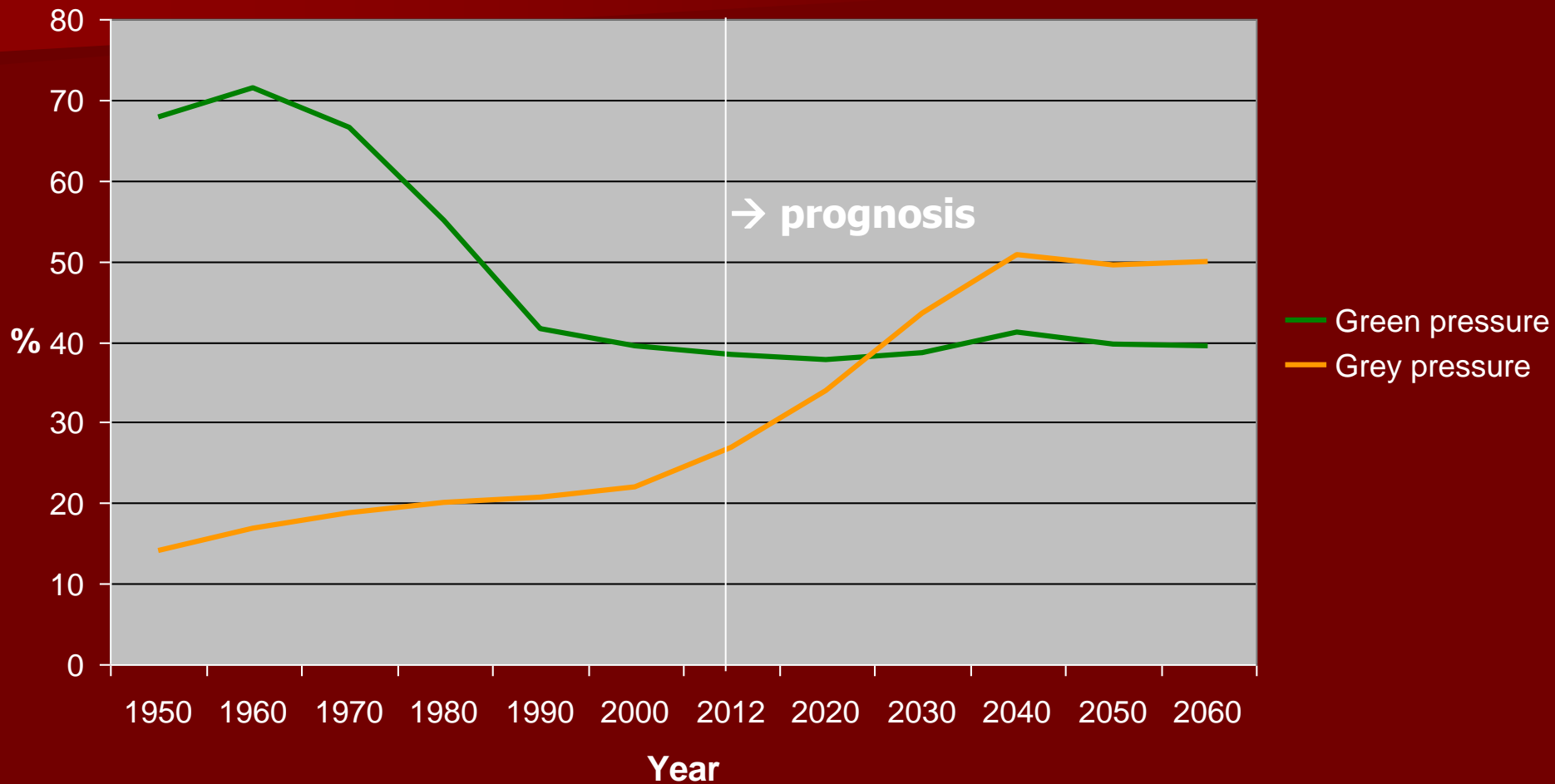
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# Netherlands young/old-age dependency ratio\*, 1950-2060



\*Green pressure: population ages 0-19/population ages 20-64

Grey pressure: population ages 65+/population ages 20-64

# Background

- Ageing of population → cost of pensions (and of health care)
- Compensation most often considered: Raise statutory retirement age
- System of raise differs across countries
  - Sudden/gradual increase to e.g. age 67
  - Increase according to expected increase in life expectancy

# This study

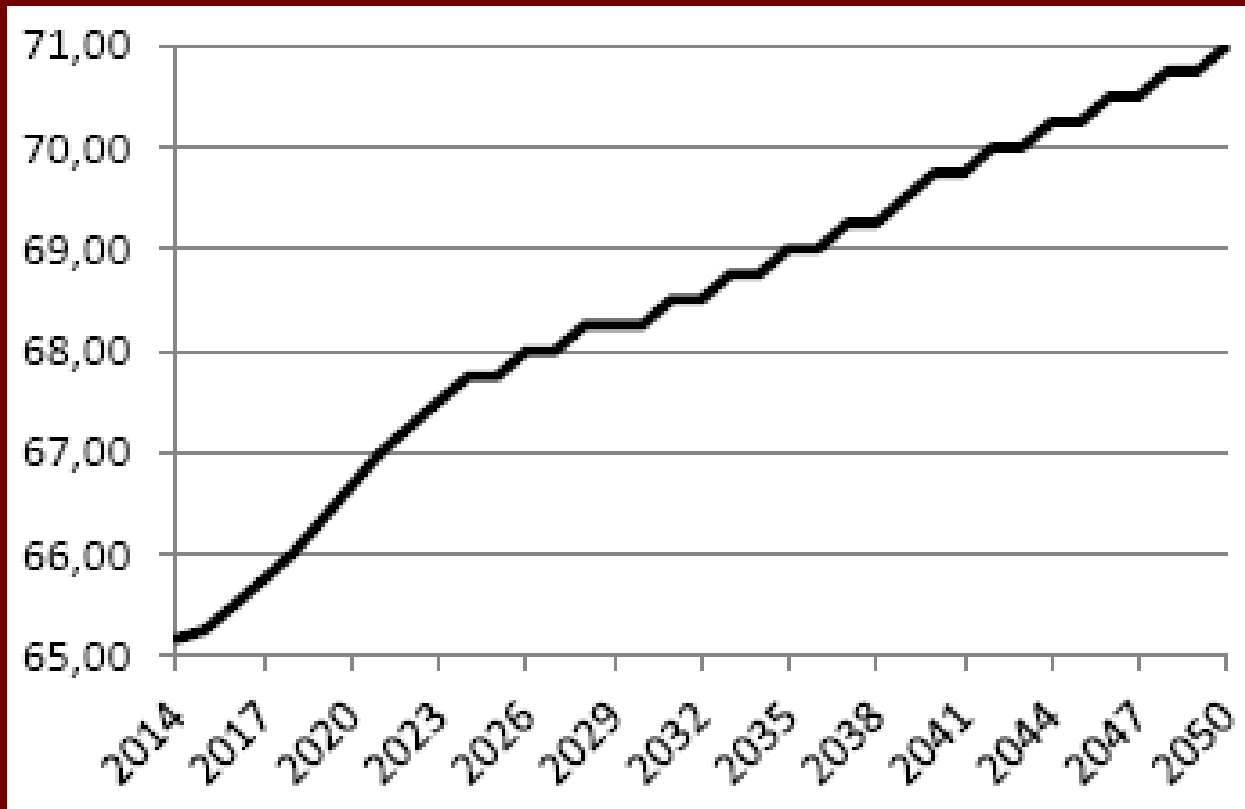
- In adjusting statutory state pension (SSP) age health of older workers and retirees is ignored
- Compliance with raised SSP age better if:
  - *Feasible*, i.e. older workers healthy enough (i.e., high enough proportion able to work)
  - *Fair*, i.e. after retirement prospect of same number of healthy years for subsequent cohorts

## *Research question:*

- What is the effect of higher SSP age on:
  - The prevalence of work-limiting health problems at SSP age
  - Health expectancy (HLE) in the post-retirement years

# Rise in SSP age planned

Until 2021: rise with fixed number of months to age 67  
From 2021: rise follows rise in LE (formula\*)



\*  $(Le_{65} - 18.26) - (SSPA - 65) > 0.25$ ;

18.26 = average  
LE65 in 2001-099

# Health data from Longitudinal Aging Study Amsterdam (1)

**Random sample  
across the Netherlands**

**5700 men and women**

**Initial ages 55-85**

**Start 1992, 2002, 2012**

**3-year intervals**



# Health data from Longitudinal Aging Study Amsterdam (2)

1. Work-limiting health problems ('work disability');  
Health measures affecting work disability (literature)  
Should not give room to *shirking* → ± objective

Any one of:

- $\geq 2$  chronic diseases ('multimorbidity')
- Unable to do  $\geq 1$  of 6 (I)ADL-activities
- Significant depressive symptoms (CES-D  $\geq 16$ )

# Health data from Longitudinal Aging Study Amsterdam (3)

2. Healthy life expectancy, criterion: social participation;  
Health measures affecting social participation ability  
(literature) → both objective and subjective

Any one of:

- $\geq 2$  chronic diseases ('multimorbidity')
- Unable to do  $\geq 1$  of 6 (I)ADL-activities
- Significant depressive symptoms (CES-D  $\geq 16$ )
- Self-rated health  $\geq$  good

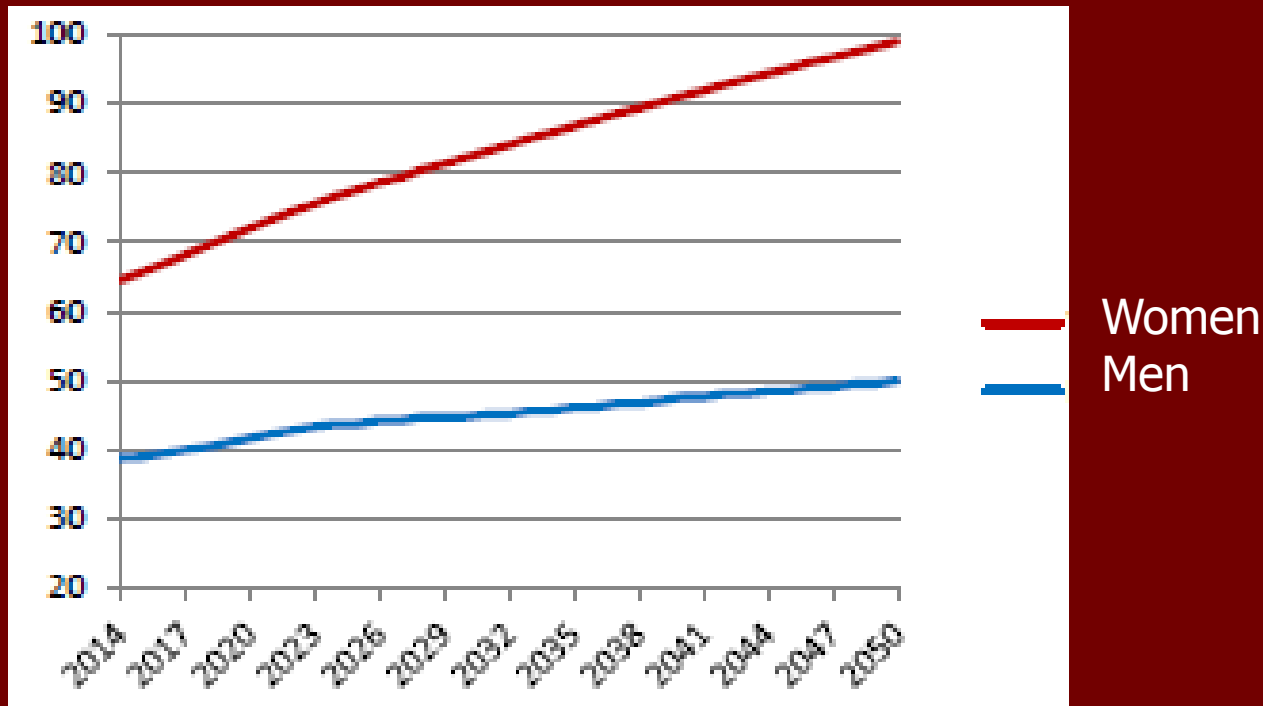


# Results: work disability at SSP age

*Prevalence at age 65, 1992-2009:*

- In men, remained stable at 38.4%
- In women, rose from 39.3 to 54.6%

*Prognosis (at SSPA):*

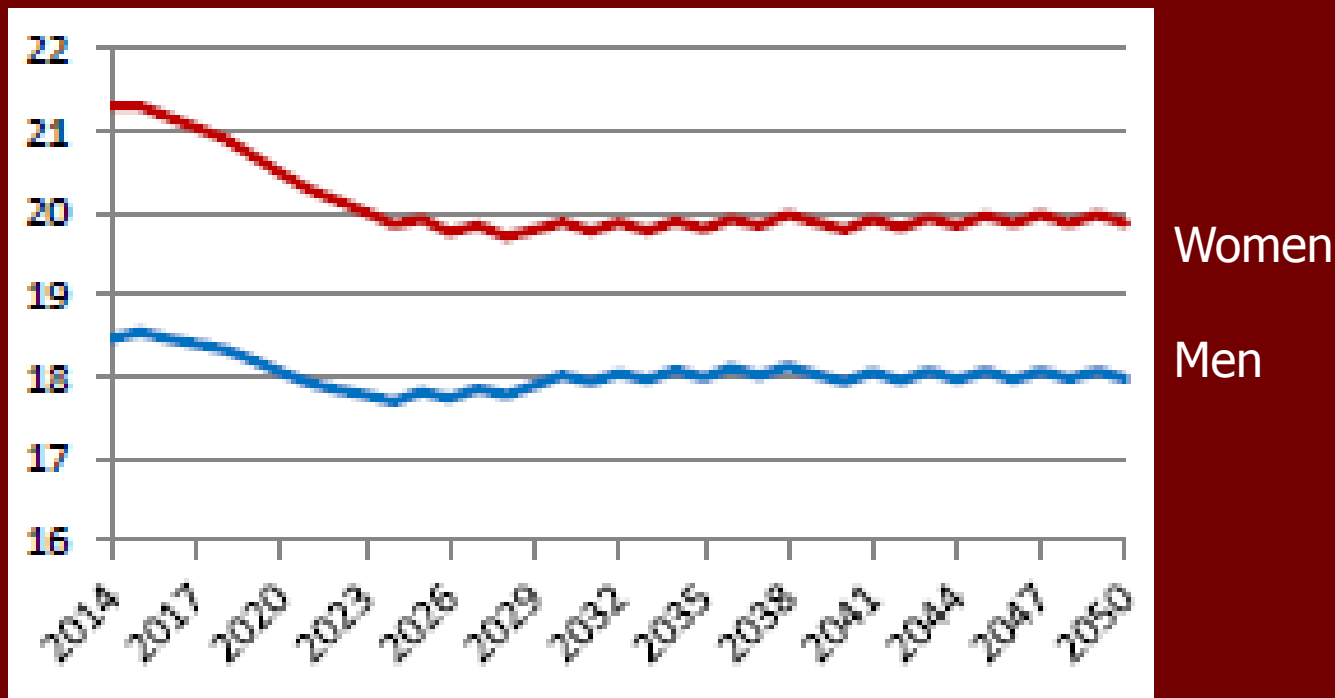


# Results: life expectancy from SSP age

*LE-65 1992-2011:*

- In men, rose from 14.3 to 18.5 years
- In women, rose from 18.9 to 21.4 years

*Prognosis (from SSPA):*

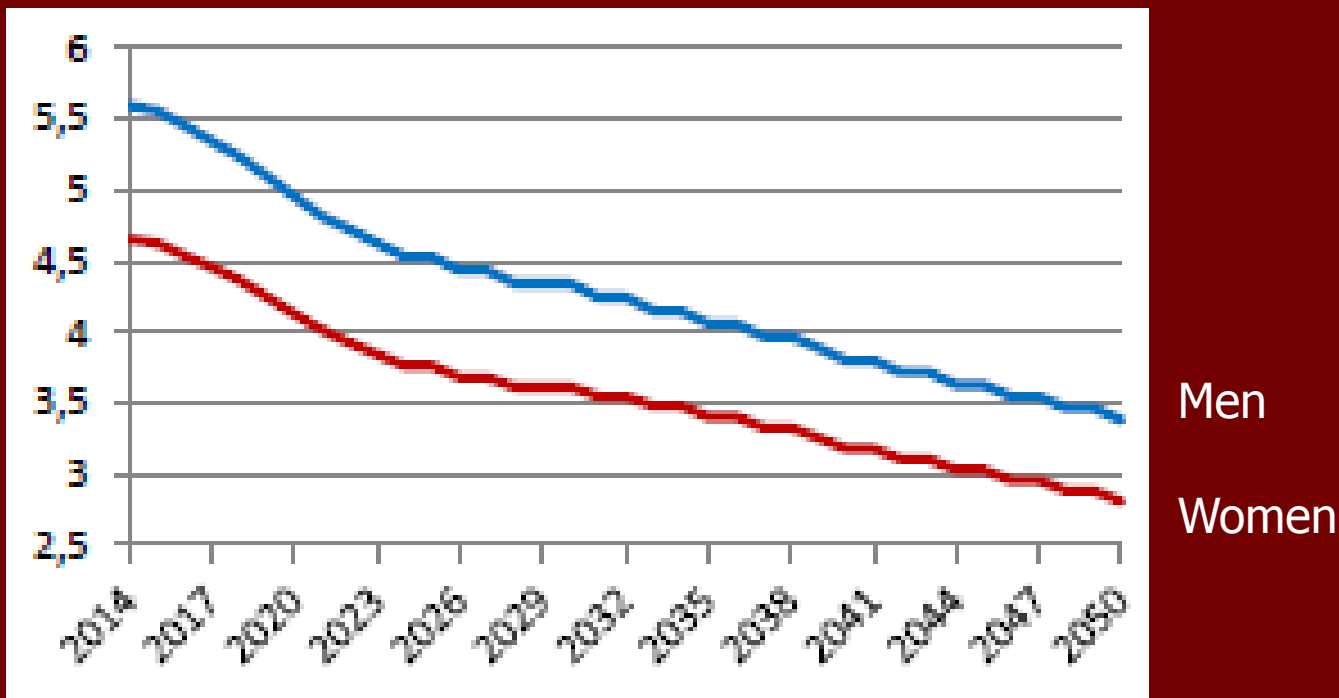


# Results: life expectancy from SSP age

*HLE-65 1992-2009:*

- In men, remained stable at 5.6 years
- In women, remained stable at 4.9 years

*Prognosis (from SSPA):*



# Results in other words

- *Feasibility:* Work disability at SSP age will increase to 49.8% in men, and to 96.8% in women
- *Fairness:* HLE from SSP age will decrease to 3.4 years (from 30 to 22% of LE) in men, and to 2.8 years (from 19 to 14%) in women
- A rise in SSP age as envisaged does not seem feasible and does not seem fair

# Limitations

- Development of health and (H)LE may be influenced by factors not studied:
  - Changes in life style (sedentariness, obesity!)
  - Shifts in work demands from physical to mental
  - Advancement in medical care/technology
- Education level not taken into account
- May lead to both under- and overestimation of work disability and HLE

# Conclusions

- Governments need to redesign plans regarding the raise in SSP age by taking ***health*** into account

Sahlgren (2013):

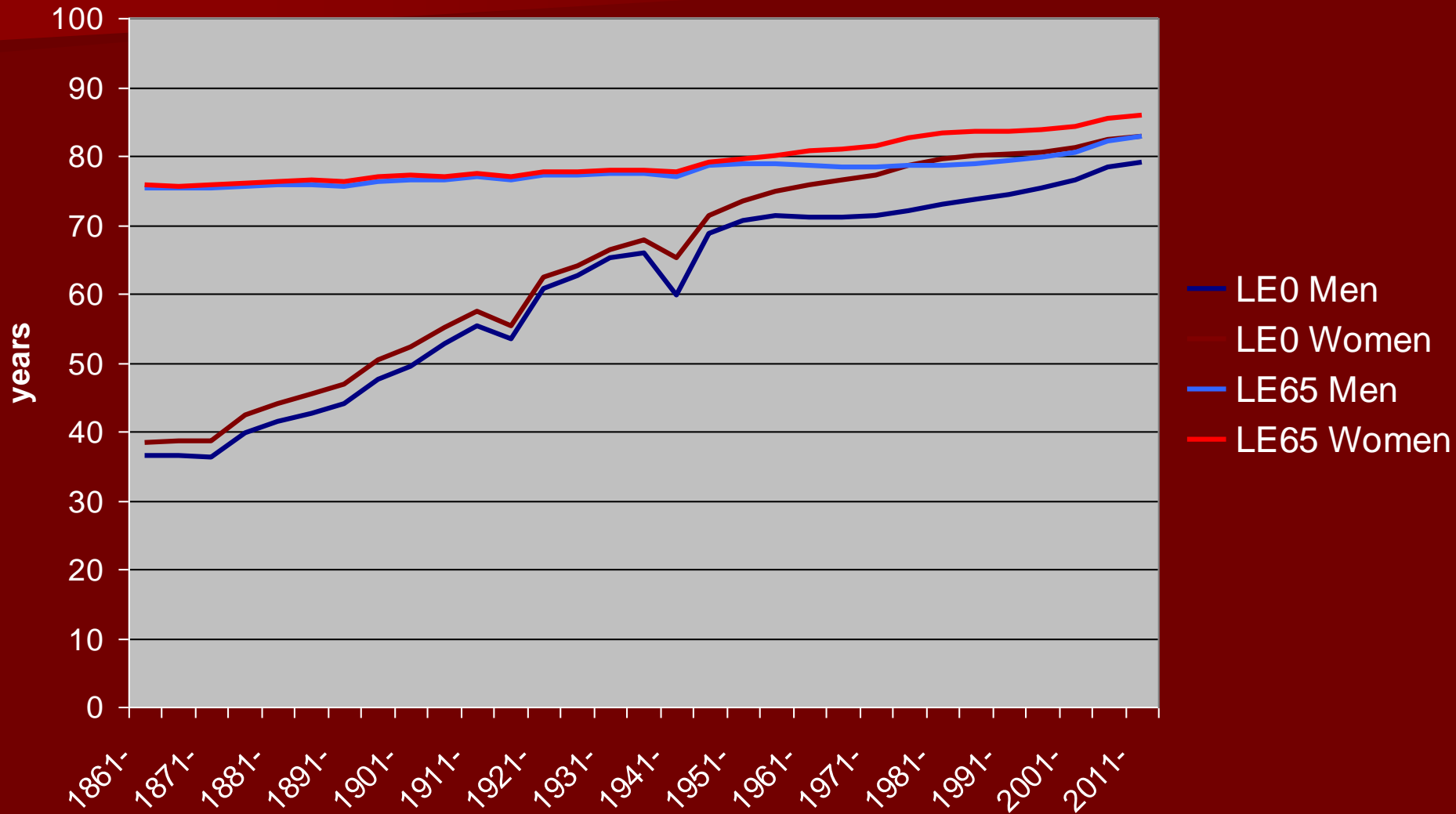
“Ministers seem to think that increasing the State Pension Age will automatically increase working lives. Yet it can be argued that many older people are unfit or will find it hard to find work and so will end up in a new limbo zone – *too young for pension, and too old to work.*”

# Thank you !

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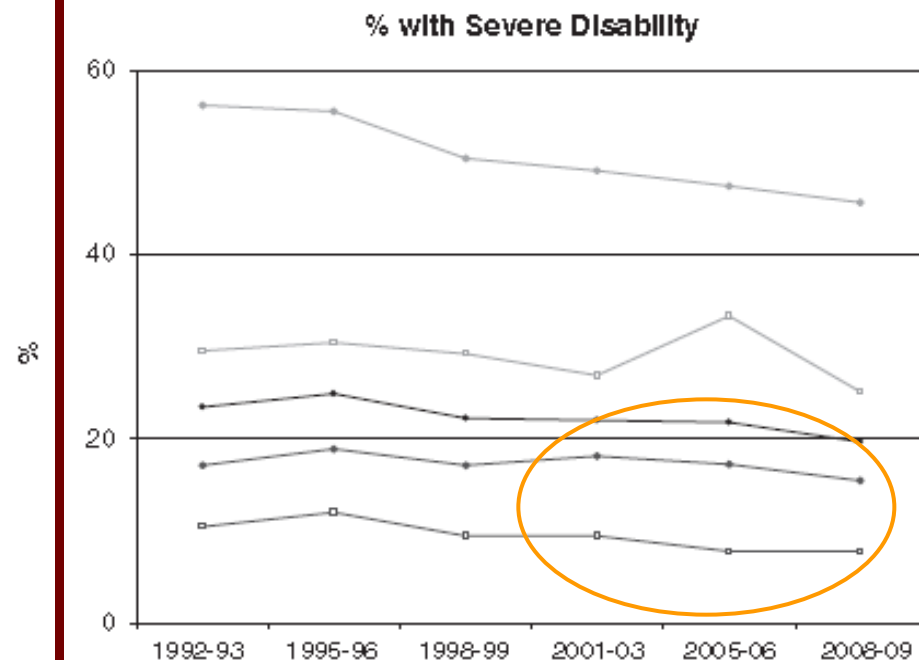
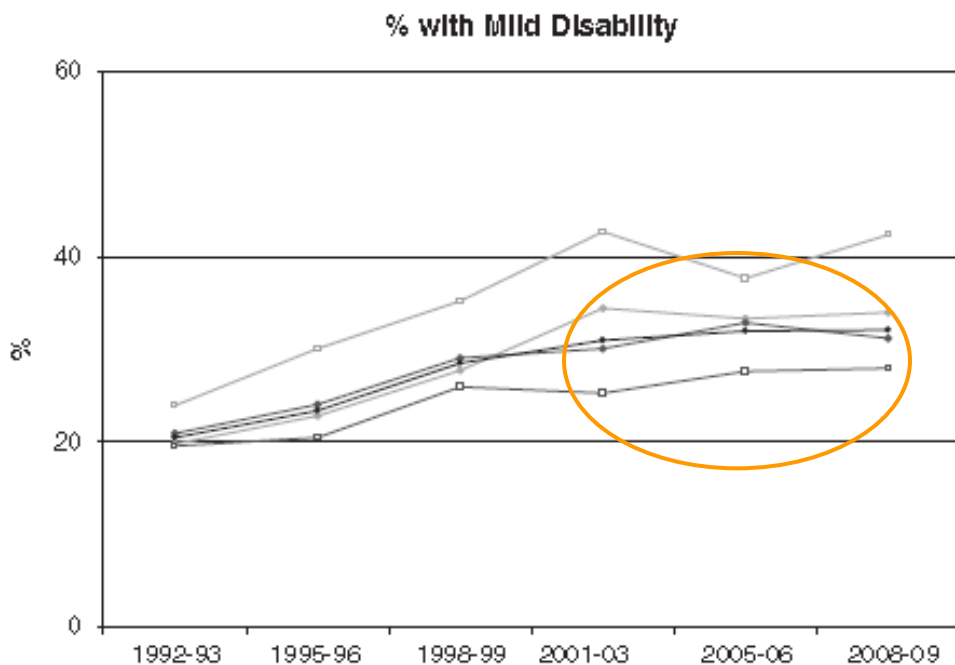


# Netherlands life expectancy at age 0 and age 65





# 17-year trends in disability



—+— Women, 75-85    —□— Men, 75-85    —+— Total    —+— Women, 60-74    —□— Men, 60-74

**Since 2001 no change in (mild) disability**

Source: Galenkamp et al, EJPH 2013