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Retirement in the Czech Republic: the role of expectations and health status in international comparison

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Summary

- The Czech population is ageing, which will have long-term impacts on the economy and society. One of the principal problems is the risk of a future decline of the overall workforce.
- On the basis of the SHARE data we show, among other things, that most older workers retire as soon as they are eligible for an old age pension, whether that is early retirement or standard retirement age. Only a very small percentage of workers take their retirement later than at the moment of pension eligibility.
- At the ages of between 50 and 61 years, almost half of all working men and a quarter of all working women in the Czech Republic declare that they are very likely to work after their 63rd birthday. These values are very similar to equivalent values in Germany, but lower than those in Scandinavia.
- In the Czech Republic we observe that a high proportion of people who do not work beyond their 63rd birthdays despite having previously expected to do so. Only about a third of those who declare a high expectation of working at this age actually go on. This disinclination to work despite previously having expected to do so seems to be unique in Europe. Germany and Scandinavia both report that around 75 percent of working people who expect to work beyond 63 years of age do indeed go on to do so.

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- We should be particularly aware of the fact that even those in highly qualified professions and with university education leave the labour market on average substantially earlier than they had originally planned. Only 40 percent of university educated 63-year-olds work, even though at 55 more of them had planned to do so.
- Among workers aged between 50 and 61 years of age, around 25 percent subjectively consider themselves to have health problems; there is substantial variation in this proportion among groups with different levels of education, and in different types of occupations.
- The substantially higher share of early departure from the labour market observed in the Czech Republic is not affected by the educational or employment structure of the Czech society, nor by the labour force's subjective health status, but by the option of receiving an old age pension from an earlier age than is common in other countries.