

**STATISTICAL SERVICE  
MINISTRY OF FINANCE  
NICOSIA**

**LABOUR FORCE SURVEY 2006**

**AD HOC MODULE:**

**<< TRANSITION FROM WORK INTO RETIREMENT >>**

**INTERVIEWERS' INSTRUCTIONS**

**NICOSIA**

## **INTRODUCTION:**

The ad hoc module on 'Transition from work into retirement' is part of the Labour Force Survey (LFS) and only covers the second (2<sup>nd</sup>) quarter of 2006, i.e. April – June. The module is conducted simultaneously in all European Union countries and the target population is persons aged 50-69 years old.

## **AIM:**

The ad hoc module has as main aims:

1. The collection of information on how the transition at the end of the career towards full retirement is expected to take place/takes place/took place.
2. To know which factors would be/were at play in determining the exit from work, and which factors could make/could have made persons postpone the exit from work:
  - Working conditions factors (health and safety at the workplace, flexible working time arrangements)
  - Other factors linked to work (e.g. training at the workplace)
  - Financial factors (financial incentives to remain at work or to exit)
  - Personal factors (health, family reasons)
  - As well as other work related factors

## **COVERAGE:**

The ad hoc module is to be completed **only** by persons aged 50-69 which are either employed, or not at work and who worked after 49 years old.

## **COMPLETION OF THE QUESTIONNAIRE**

The main aim of questions Q1, Q2, Q3 is to find out whether the person receives an individual retirement pension. In the case where the person answers **NO**, we continue to find out whether the person is entitled to receive an individual retirement pension or not. If the person answers **YES**, then we continue to find out the age at which the person started to receive an individual old-age pension or early/regular retirement pension.

Questions Q1, Q2, Q3, and Q4 are to be completed by all persons.

**Questions Q1: Do you receive an old-age pension or early/regular retirement pension?  
(Does not include widow's pension, disability/invalidity pension, parent's pension and social pension)**

## **OLD-AGE PENSION**

### **To whom it is payable**

Old age pension is payable to all insured persons, irrespective of category of insurance i.e. employed persons, self-employed persons and voluntary insured persons.

### **Conditions**

The conditions for the payment of old-age pension are:

- the insured person has completed the pension-able age (65 years old),
- the claimant has been insured for at least three years and his insurable earnings in the lower band of insurable earnings are not less than 156 times the weekly amount of the basic insurable earnings, and
- has weekly average of paid and credited insurable earnings, in the lower band of insurable earnings from 5.10.1964 or from 7.1.1957 if this is more favorable for the insured person, or from the contribution year in which he attained the age of 16, to the last contribution week before the week he completed the pension-able age, equal to at least  $\frac{1}{4}$  of the weekly amount of the basic insurable earnings.

An insured person is entitled to old-age pension at the age of 63 if:

- he/she satisfies the above contribution conditions and has weekly average of insurable earnings equal to 70% of the weekly amount of the basic insurable earnings, or
- he was entitled to invalidity pension immediately before reaching the age of 63.

For miners the pension-able age can be reduced to the age of 58, depending on the duration of work to a mine.

### **Early / Regular Retirement Pension**

#### Public Employees

All Public Employees that have completed their 55<sup>th</sup> year of birth but not their 60<sup>th</sup>, are entitled to an early retirement scheme pension. Any Public Employee that has completed his 45<sup>th</sup> year of birth has the right to submit a pension application, but, he will begin to receive his pension after the completion of his 55<sup>th</sup> year of birth. In special cases where an employee proves to be 'medically unfit', then he gets an early retirement pension regardless of his age as long as he is 45 years old and above.

All Public Employees that have completed their 60<sup>th</sup> year of birth have the right to a regular retirement pension. This is considered as mandatory retirement.

Gradual extension of the age level of mandatory retirement:

- The mandatory retirement age of those employees who will complete their 60<sup>th</sup> year of birth, during the period 1/7/2005 – 31/12/2006, will be the age of 61 years old.
- The mandatory retirement age of those employees who will complete their 60<sup>th</sup> year of birth, during the period 1/1/2007 – 30/6/2008, will be the age of 62 years old.
- The mandatory retirement age of those employees who will complete their 60<sup>th</sup> year of birth, during or after 1/7/2008, will be the age of 63 years old.

#### Police / Fire Brigade

##### 1. Policemen and Sergeants:

Early / Voluntary: 50-54

Regular / Mandatory: 55

##### 2. Officers:

Early / Voluntary: 55-59

Regular / Mandatory: 60

#### High -School / Elementary Teachers

Early / Voluntary: 55-59

Regular / Mandatory: 60

#### Semi-Governmental Employees

##### EAC (Electricity Authority Cyprus)

Early / Voluntary: 55-59

Regular / Mandatory: 60

##### CYTA (Cyprus Telecommunication Authority)

Early / Voluntary: 55-62

Regular / Mandatory: 63

**Question Q2: At which age did you receive your first retirement pension?**

The aim of this question is to find out the age at which the person started to receive his pension for the first time. In case where the person receives more than one pension, only the age that he received the first one is taken into consideration.

**Question Q3: You do not receive a retirement pension. But are you entitled to receive a retirement pension?**

**Code 97:** It includes all persons who are entitled to but do not receive a retirement pension due to their willingness to extend their stay at work in order to increase their future retirement benefits.

**Code 98:** It includes persons who:

- a) do not have the right to receive old-age pension because they haven't completed the required age limit to do so or for any other reason, but pay their contributions to secure their future retirement pensions.
- b) haven't paid / pay their contributions to secure their future retirement pensions.

**Question Q4: In total, how many years have you spent working for pay or profit (in your working life)?**

The purpose of this question is to measure approximately the duration in years of the respondent's working life.

This question also includes the period during which someone was temporarily absent from work for a period of time for either maternity/paternity leave, injury, temporary disability or slack work for technical or economical reasons.

Any absence away from work for education or training/career break is not included e.g. if someone interrupts his work for a period of time for education, or if someone gets parental leave this period has to be excluded.

The number of years since the person started to work in his first significant job for profit or pay, either as self-employed or as an employee, must be recorded.

**First significant job**

It does not include vacation jobs taken by students from which they return to their studies. Similarly any other jobs done during school attendances as well as some other occasional jobs either full-time or part-time are also not included.

**Questions Q5a: At which age do you plan to stop all work for pay or profit?**

Questions Q5a is to be completed by persons aged 50-69 who work.

The purpose of this question is to find out the age at which the person is planning to stop working from his main job (for pay or profit), and thus stop being part of the labour force.

If the person answers 'Doesn't know exactly when' then proceed to question Q5b.

**Question Q5b: You do not know yet precisely at which age you will stop. But approximately, when do you think you will stop all work for pay or profit?**

In this question we want the person's response on when he/she is approximately planning to stop working.

**Questions Q6a: Have you already stopped all work for pay or profit with the intention not to return to the labour force/market?**

Question Q6a is to be completed by persons aged 50-69 not at work and who worked after 49 years old.

Here we want to know whether the person intends to return to the labour market or not.

Code 98: It includes persons that have stopped working for pay or profit with the intention not to return to the labour market/force.

If the answer is 'Intends to return' then we go to question Q6b for asking the age at which he/she is planning to stop working.

**Question Q6b: At which age do you plan to stop all work for pay or profit?**

Since the person intends to return to the labour market, we want to know at what age he/she is planning to stop working and not being part of the labour force anymore.

**Question Q7: Do you have a financial incentive that makes you stay at work?**

Question Q7 is to be completed by persons aged 50-69 who work and receive a retirement pension or who do not receive although they are entitled to. (Question Q3, codes<98).

The aim of the question is to find out if the person has a financial incentive that makes him/her stay at work.

If the person answers **YES** then we go to question Q7a.

**Question Q7a: Is it mainly to provide sufficient household income at present or to increase your retirement pension entitlements?**

Code 1: To increase retirement pension entitlements

Code 2: To provide sufficient household income

If the person finds it difficult to choose between codes 1 and 2 then code 1 (must be) is chosen.

**Question Q8: Let's talk about your last job or business.**

**What was your situation just after you left your last job or business?**

**(Interviewer: Please read to the respondent the following categories)**

Question Q8 is to be completed by persons aged 50-69 not at work and who worked after 49 years old.

We want to know from each person, what his situation was just after he stopped his last job.

If the person's response is code 2 'In retirement or early retirement', then we go to question Q9.

**Question Q9: What was the main reason for leaving for retirement or early retirement?**

Question Q9 is to be completed by persons who consider themselves as pensioners (Question Q8, code 2).

Code 1: A person's voluntary redundancy is not included.

Code 2: Has reached compulsory legal maximum retirement age and he is forced to exit because of his age. Persons with an early retirement are not included.

Code 3: Due to health or disability problems

Code 4: Child care or care of persons with special needs, e.g. due to lack of care services

Code 5: Job related problems might be: work time schedule, health and safety at the workplace, job stress, very demanding job, qualifications not appreciated by the management, employers' behavior and attitude.

Code 6: Favourable financial arrangements for early retirement or voluntary redundancy.

Code 7: It includes persons who prefer to stop working for family or personal reasons, or persons who do not need to continue working or persons who prefer not to work. It also includes persons who reached the minimum required retirement age (early retirement),

but not reached compulsory retirement age, who could continue to work if they wished to but preferred not to.

**Question Q10: Have you reduced your working hours in a move to full retirement/to leave the labour market?**

Question Q10 is to be completed by persons aged 50-69 who work.

If the response is 'No, not yet' then we go to question Q10a.

**Question Q10a: Do you plan to reduce your working hours in a move to full retirement/to leave the labour market within the next 5 years?**

Question Q10a does not only refer to the person's current job but e.g. a person might plan to reduce his working hours by taking another job in the future with fewer hours.

Code 3: It concerns persons who plan to reduce their working hours within the next 5 years.

Code 4: It also includes persons who do not plan to reduce their working hours in a move to full retirement not because they do not want to but because **they cannot**.

Code 5: It can also apply both to persons whose job will stop within the next months and to persons with uncertain jobs (person's plans are not relevant).

**Question Q11: Did you reduce your working hours in a move to full retirement/to leave the labour market?**

Question Q11 is to be completed by persons aged 50-69 not at work and who worked after 49 years old and intend not to return to the labour force/market (Question Q6a, code 98).

Code 4: It includes persons who stopped working for pay or profit (with the intention not to return to the labour force) and have not reduced their working hours in a move to full retirement.

**Question Q11a: Did you reduce your working hours in a move to full retirement/to leave the labour market?**

Question Q11a concerns persons aged 50-69 not at work and who worked after 49 years old and intend to return to the labour market (Question Q6a, code X).

This question does not only refer to the person's last job but e.g. if a person can plan to reduce his working hours by taking another job in the future with fewer hours of work.

Code 3: For persons who plan to reduce their working hours within the next 5 years.

Code 4: It also includes persons who do not plan to reduce their working hours in a move to full retirement not because they do not want to, but because they cannot. It also includes persons who stopped working for pay or profit (with the intention to return to the labour force) and have not reduced their working hours in a move to full retirement.

Code 5: It also includes unemployed persons as well as persons with uncertain jobs (person's plans are not relevant).

**Question 12: You reduced your working hours in a move to full retirement/to leave the labour market.**

**Did you take a progressive retirement scheme / part-time pension (example: 50% work with 80% salary) or not?**

Question 12 is completed by persons who have chosen codes X in questions Q10, Q11 and Q11a.

Progressive retirement scheme / Part-time pension:

In the case where the employee wishes to reduce working hours before he retires from the labour market he could have made an agreement with his employer to work fewer hours and be paid less, but not proportionally based on the hours worked, - e.g. 50% work (in hours worked) with 80% salary. This is part of measures to keep older employees in employment (incentives to stay at work).

**Question Q13: Would the following 3 questions contribute to make you stay longer at work / labour market?**

Question Q13 is to be completed by persons aged 50-69 who work.

Questions Q13a, Q13b and Q13c should be answered next.

**Question Q14: Would the following 3 questions have contributed to make you stay longer at work / labour market?**

Question Q14 is to be completed by persons aged 50-69 not at work and who worked after 49 years old.

Questions Q13a, Q13b and Q13c should be answered next.

**Question Q13a: More flexible working time arrangements?**

More flexible working time arrangements could mean that the person has the possibility of reducing work time, teleworking or flexible work time schedule.

Code 1: It also includes persons that ‘to some extent’ the above factor would contribute / would have contributed in their staying at work /longer at work.

**Question Q13b: More opportunities to update skills?**

Code 1: It also includes persons that ‘to some extent’ the above factor would contribute / would have contributed in their staying at work /longer at work.

**Question Q13c: Better health and/or safety at workplace?**

Code 1: It also includes persons that ‘to some extent’ the above factor would contribute / would have contributed in their staying at work /longer at work.

**Question Q15: Do you receive an individual pension or individual benefits such as disability pension, widow’s pension, social pension, sickness benefit, allowance for accident at work place? (Old-age pension or early/regular retirement pension and unemployment benefit is not included).**

Question Q15 is to be completed by persons aged 50-69 not at work and who worked after 49 years old.

Code 1: It includes disability /invalidity pension, sickness benefit, disability benefit, allowance for accident at work place.

Code 2: It includes early retirement scheme allowance. If such an allowance is found, the source must be recorded.

Code 3: It includes widow’s pension, social pension (for housewife), parent’s pension, missing persons’ benefit.

**Notice:** Various children and family allowances, such as multi-children family allowance, mother’s allowance, maternity allowance, orphan’s allowance, maternity grant, marriage grant and funeral grant are not included.

Personal benefits / allowances / pensions are usually periodic and paid in cash.

