

Statistical Office of the Slovak Republic

Labour Force Sample Survey

Ad hoc module

„TRANSITION FROM WORK INTO THE RETIREMENT“

THE SECOND QUARTER OF 2006

EPLANATORY NOTES

Come into force on 1 April 2006

Preface

Since 2000 the ad hoc modules have become a regular part of the Labour Force Sample Survey. The Statistical Office of the Slovak Republic organises these yearly surveys on the sample of the labour force survey in the 2nd quarter in compliance with the Eurostat's methodology. The ad hoc module on transition from work into retirement is carried out in households in the second quarter 2006 and was designed with full compliance with Commission regulation (EC) No 388/2005 concerning the specification of the 2006 ad hoc module. The data collection is carrying out from April to June 2006.

According to the policy needs, there is a demand for a comprehensive and comparable set of data on transition from work to retirement in order to monitor progress towards the common objectives of the Community's Employment Strategy and the open method of coordination in the area of pensions. Both progresses identify the promotion of active ageing and prolongation of working life as priorities for action. Collected data through the ad hoc module will be important for identification of the negatives and weak sides of the current situation and will bring information for preparation of strategies which can help to improve life quality considerably.

The target population is every person aged 50 to 69 living in the household selected dwelling. For ad hoc module we prepared the separate questionnaire and explanatory notes for data collection.

The questionnaire „C“, which follows the main questionnaire „B“, is designed in 2 versions:

- (a) The version for the employed – is addressed to every person aged from 50 to 69, who in questionnaire „B“ fulfilled the block of the questions “The employed”
- (b) The version for the non-employed – is addressed to every person aged from 50 to 69, who in questionnaire „B“ fulfilled the block “The non-employed” and worked after his/her age 49 (B52-A4 > 49)

The explanatory notes for the employed aged from 50 to 69

C1	
Target population	The employed aged 50-69 (including)
Question	<p>Are you receiving an individual retirement pension even though you are working?</p> <p>➤ Yes 1</p> <p>➤ No even though I am entitled to receive it 2</p> <p>➤ No I am not entitled to receive it 3</p>

Individual old-age pension is a regular financial benefit of pension insurance. A person is entitled to receive the old-age pension if:

- He/she has been insured in pension security system at least 10 years and
- Reached retirement age

The right for receiving of the old age pension remains unchanged during the period of pension insurance as well (e.g. during the performance of employment that has been lasting more than 1 year after an award of old age pension).

Retirement age is 62 for men and women if the law does not determine it in a different way. Retirement age 62 is applied for men who were born in 1946 and more and women who were born in 1962 and more. According to Act No 100/1988 Coll., the retirement age for men who were born from 1944 to 1945 is from 60 years and 9 months to 61 and 9 months. The retirement age for women who were born in period from 1947 to 1961 is impacted by number of children and lies in interval from 57 years and 3 months to 61 years and 3 months.

The retirement age is given differently for the insured whose rights resulting from inclusion into the employment of the first and the second working category (e.g. miners, members of squadron, aircrew, especially hard work and health damaging work in mines or chemical operations with verifiable chemical carcinogens etc.) are granted by the 31st December 2023.

Early old-age pension is a regular financial benefit of pension insurance. A person is entitled to receive the early old age pension if:

- He has been insured in pension security system at least 10 years and
- The sum of early old age pension is higher as 1,2 multiple of subsistence minimum for one adult person.

The right for receiving of the old age pension remains unchanged during the period of pension insurance as well (e.g. during the performance of employment that has been lasting more than 1 year after an award of old age pension).

Annuity retirement pension (retirement pension for years of services) is a regular financial benefit of pension insurance for the soldiers, policemen and customs officers. A soldier, policeman and custom officer is entitled to receive the annuity retirement pension if:

- Terminated his/her service that lasted at least 15 years,
- Terminated his/her service, he/she was receiving an disability annuity retirement pension and sum of period of service and period of receiving annuity retirement is at least 15 years,
- Terminated his/her service by loss of rank and reached retirement age that is essential for being entitled for receiving old age pension by general principles on social insurance.

Code 1 should be used in case, that a respondent receives one of the following forms of pensions:

- Old-age pension
- Early old age pension
- Annuity retirement pension (for the soldiers, policemen and customs officers)
- Social pension, which a person started to receive before 1.1.2004 due to reaching age 65 and the social dependency when person's subsistence is not protected
- Old-age pension from abroad

Code 1 should not be used if a respondent receives only one of the following forms of pensions:

- Disability or disability annuity retirement pension
- Widow/widower or Widow/widower annuity retirement pension
- Social pension, which a person started to receive before 1.1.2004 due to his/her disability and the social dependency when person's subsistence is not protected.

Code 2 is applies if person does not receive any before mentioned pensions even though he/she is entitled to receive it

The legal right for receiving of old-age pension has a respondent who reached retirement age and has been insured in pension security system at least 10 years during the survey no matter whether he/she applied for its payment or not. In case that a person is recipient of disability pension, the code 3 should be applied.

The legal right for receiving of early old-age pension

! When person applied or has a respondent who reached retirement age and has been insured in pension security system at least 10 years during the survey no matter whether he/she applied for its payment or not. In case that a person is recipient of disability pension, the code 3 should be applied.

Code 3 should be used in case if a person does not receive any above mentioned pensions and following the conditions is not entitled to receive it (e.g. respondent does not reached the retirement age; has been insured in pension security system less than 10 years; the sum

of early old age pension would not be higher as 1,2 multiple of subsistence minimum for one adult person; a person is a recipient of disability pension etc.).

C2	
Target population	C1=1
Question	At which age did you start to receive your first individual retirement pension, early retirement pension or pension for years of service?

The aim of this question is to know the age at which a person started to receive an old-age pension, an early old-age pension, an annuity retirement pension (for the soldiers, policemen and customs officers), an old-age pension from abroad or a social pension, which a person started to receive before 1.1.2004 due to reaching age 65 and the social dependency when person's subsistence is not protected for the first time.

Age at which person started to receive it for the first time means that if person receives several retirement pensions (e.g. a former soldier receives annuity retirement pension and old-age pension, a person receives old-age pension and old-age pension from abroad), among those she/he receives, the age at the first reception should be taken into account.

! Age at which a person started to receive retirement pension is age that a person reached in day when a pension was awarded.

C3	
Target population	C1=1,2
Question	<p>State the main financial incentive to stay at work</p> <ul style="list-style-type: none"> ➤ To increase retirement pension entitlements 1 ➤ To provide sufficient household income 2 ➤ No financial incentive 3

The aim is to know the main financial incentive to stay at work even though a respondent could have moved or could move to full retirement in order to stop all work for pay or profit.

! Movement to full retirement means to stop all work for pay or profit. Therefore the fact that a person receives a retirement pension does not automatically mean that a person already moved to full retirement definitely.

Code 1 is applied if the main reason of respondent why to stay at work even though he/she has a possibility to move to full retirement (a person fulfilled the conditions for movement to full retirement) is positive financial impact on his/her future retirement pension.

Code 2 includes persons whose main reason to stay at work even though he/she has a possibility to move to full retirement (a person fulfilled the conditions for movement to full retirement) is satisfaction of the current financial needs of the households

If it is really impossible for an interviewed person to choose between code 1 and 2, then code 1 should be used (order of the list)

C4	
Target population	The employed aged 50-69 (including)
Question	State the total number of years spent working for pay or profit during your working life > The total number of years

The aim of the question is to get an approximate measure of the duration of the working career.

! The first significant job does not include following:

- Part time job the person may have engaged in while still in school or university,
- Vacation jobs taken by students from which they return to studies or to other non-work situations,
- Other causal jobs undertaken from time to time.

! The total number of years spent working for pay or profit during your working does not include:

- Career breaks
- Parental leave
- Period of unemployment
- Period of compulsory military or community service

! The period when a person had a job but was temporarily absent because of maternity leave, injury or temporary disability, slack work for technical or economical reasons etc. should be included into the total number of years spent working.

C5	
Target population	The employed aged 50-69 (including)
Question	Have you already reduced your working hours in a move to full retirement? > Yes and my hourly wage is higher than in case I would worked on full time 1 > Yes, but my hourly wage is the same as in case I would worked on full time 2 > No, but I plan to do it within the next 5 years 3 > No and I do not plan to do it within the next 5 years 4 > No and I am in a situation when any plans are irrelevant 5

! Movement to full retirement means to stop all work for pay or profit. Therefore the fact that a person receives a retirement pension does not automatically mean that a person already moved to full retirement definitely.

The aim of the question is to know if person reduced or plan to reduce his/her working hours in order to move into full retirement or in the other words if a person did or plan to do a gradual move into retirement (no matter whether a person reduced his/her her working hours because he/she wanted to do it or a person was forced and he/she did not have other chance). A person can reduce or plan to reduce working hours by following ways:

- Inside of his/her current job by change from full time to part time job,
- Change of the main job from full time to part time,
- Change of the second job from full time to part time or leaving the second job .

If a person reduced his/her working hours by changing of job then the hourly wage, that a respondent receives in part time of his/her new job, is compared with hourly wage that a respondent could have received if he/she would have worked in this new job on full time.

Code 1 is applied for persons who reduced their working hours before they will move to the full retirement and they hourly wage for reduced working time is higher than hourly wage if they would have worked on full time in the same job. It means, that proposition between the work (or duration of working time) and wage of part time is more appropriate as would have been if a person worked on full time (e.g. 50 % work and 80 % wage, for 80 % work 100 % wage etc.)

Code 2 should be used for persons who reduced they working hours before they will move to the full retirement and they hourly wage for reduced working time is the same as hourly wage in case that they would have worked on full time in the same job. It means, that proposition between the work (or duration of working time) and wage of part time is the same as for full time (e.g. 50 % work and 50 % wage, for 100 % work 100 % wage etc.)

! Codes 1 and 2 are also applied for person who was forced to reduce they working time before movement to full retirement.

Code 3 is used for persons who did not reduce they working time but they plan to do it within the next 5 years.

Code 4 includes all persons who neither reduced they working time before and they do not plan or do not have possibility to do it within the next 5 years.

Code 5 is applied for all persons who did not reduced they working time because they are in a situation when any plans are irrelevant e.g. they job is finishing during the following months, because they age, for persons with uncertain job, persons is in notice period etc.

C6	
Target population	The employed aged 50-69 (including)
Question	At which age you would like to stop all work for pay or profit?
	<ul style="list-style-type: none"> ➤ Planned age ➤ Before 60 years old 90 ➤ Between 60 and 64 years old 91 ➤ At 65 years old 92 ➤ I plan to work as long as possible 93 ➤ I do not know 94

! Age when person moved to full retirement could not be the same with the age when a person started to receive old age pension, early old age pension or annuity retirement pension (if a person receives old age pension it does not automatically mean that this person moved to full retirement).

The first code should be applied in case if person is able to state exact age, when person plans to stop all work for pay or profit.

In case that a person do not know to state the exact age but know the interval of years when person plans to stop all work for pay or profit, the one of the codes 90 to 92 should be used.

Code 93 is used only in case that respondent plans to work as long as possible.

C7 to C9

The following variables deals with a working factor that could contributed to a person staying longer at work, Their aim is to know if improvement of working factors could made person postpone the exit from work.

C7	
Target population	The employed aged 50-69 (including)
Question	Do you think that more flexible working time would contribute to make you stay longer at work?
	<ul style="list-style-type: none"> ➤ Yes 1 ➤ No 2

More flexible working time includes the possibility of reducing of working time, change or reconciliation of organisation of working hours, the possibility of teleworking, work at home, the possibility to shift work etc.

Code 1 is used if a respondent states that more flexible working time would contribute to person staying longer at work. It may not be the only factor but if it is one of them code 1

should be used. The response “Yes” and “to some extent” are in the same category of response.

Code 2 should be applied if a respondent states that more flexible working time would not have any influence on a person to stay longer at work.

C8	
Target population	The employed aged 50-69 (including)
Question	Do you think that more opportunities to update skills would contribute to make you stay longer at work?
	<ul style="list-style-type: none"> ➤ Yes 1 ➤ No 2

Code 1 is used if a respondent states that more opportunities to update skills would contribute to person staying longer at work. It may not be the only factor but if it is one of them code 1 should be used. The response “Yes” and “to some extent” are in the same category of response.

Code 2 should be applied if a respondent states that more opportunities to update skills would not have any influence on a person to stay longer at work.

C9	
Target population	The employed aged 50-69 (including)
Question	Do you think that better health or safety at workplace would contribute to make you stay longer at work?
	<ul style="list-style-type: none"> ➤ Yes 1 ➤ No 2

Code 1 is used if a respondent states that better health or safety at workplace would contribute to person staying longer at work. It may not be the only factor but if it is one of them code 1 should be used. The response “Yes” and “to some extent” are in the same category of response.

Code 2 should be applied if a respondent states that better health or safety at workplace would not have any influence on a person to stay longer at work.

**The explanatory notes for the non-employed aged from 50 to 69
and who worked after age 49**

C1	
Target population	The non-employed aged from 50 to 69 (including), who worked after age 49
Question	State the main labour status just after leaving last job or business <ul style="list-style-type: none"> ➤ Unemployed 1 ➤ In retirement or early retirement 2 ➤ Long term sick or disabled 3 ➤ Other 4

C2	
Target population	C1=2
Question	State the main reason for retirement or early retirement <ul style="list-style-type: none"> ➤ Job lost 1 ➤ Own health or disability 2 ➤ Care responsibilities 3 ➤ Problems related to job 4 ➤ Favourable financial arrangements to leave 5 ➤ <u>Preference</u> to stop working other than previous codes 6 ➤ <u>I have to</u> stop working other than previous codes 7

This question aims to get the main factor that a person exits from work (financial, personal etc.) using categories of responses more adapted/oriented to older workers.

Code 1 should be applied if a person moved to full retirement because of job lost (e.g. a respondent was made redundant, the employer stopped his/her business etc.)

! Voluntary redundancy is not included.

Code 3 includes care for children or dependant adults (e.g. lack of care facilities)

Code 4 is used in case that a respondent move to full retirement because of dissatisfaction or problems in job such as dissatisfaction with working time patterns, tasks, safety of workplace, job stress; job was too demanding, skills were not adequate or not valued, employer's attitude etc.

Code 5 is used if a person preferred retirement because of favourable financial arrangements to leave (e.g. financial terms to retire early, took voluntary redundancy, prime/compensation from employers golden handshakes, other early retirement schemes etc.)

Code 6 includes every person who did not need to work or preferred not to work due to other reasons from mentioned in codes from 1 to 5 (e.g. a person reached the minimum or standard retirement age, personal or family reasons, voluntary redundancy etc.)

Code 7 includes every person who moved to retirement because was forced to do it or did not have another chance due to other reasons from mentioned in codes from 1 to 5.

! If it is really impossible for the interviewed person to choose a “main reason”, the first code that applies in the order of the list should be coded.

C3	
Target population	The non-employed aged from 50 to 69 (including), who worked after age 49
Question	Are you receiving an individual retirement pension?
	<ul style="list-style-type: none"> ➤ Yes 1 ➤ No, even though I am entitled to receive an individual retirement pension 2 ➤ No, I do not/not yet entitled to receive an individual retirement pension 3

See question C1 in the explanatory notes for employed

C4	
Target population	The non-employed aged from 50 to 69 (including), who worked after age 49
Question	At which age did you start to receive your first individual retirement pension, early retirement pension or pension for years of service?

See question C2 in the explanatory notes for employed

C5	
Target population	The non-employed aged from 50 to 69 (including), who worked after age 49
Question	Do you receive any of following individual pensions or benefits?
	<ul style="list-style-type: none"> ➤ Yes, disability pension or disability pension for years of service 1 ➤ Yes, benefit provided in material destitution 2 ➤ Yes, combination of both 3 ➤ No, I do not receive any of them 4

Code 1 should be used if a respondent receives one of the following forms of pensions:

- Disability pension
- Disability annuity retirement (for soldiers or policemen)
- Social pension, which a person started to receive before 1.1.2004 due to his/her disability and the social dependency when person’s subsistence is not protected

Disability pension is a benefit of social retirement system that secures a person who became disabled. A respondent is entitled to receive a disability pension if:

- Became disabled,
- Has been insured the required number of years in pension security system
- In day of origin of disability, a person did not fulfil the conditions for entitlement on retirement pension or early retirement pension (because in that case a person would not received a disability pension but an old age pension)

Disability annuity retirement pension is a regular financial benefit of pension insurance for the soldiers, policemen and customs officers. A soldier, policeman and custom officer is entitled to receive the disability annuity retirement pension if:

- He/she became disabled due to work-related diseases or an injury during the professional service from day of origin of disability (but not earlier as from day of termination of work contract)

Code 2

Benefit in material destitution is provided to a person in material destitution in order to ensure basic living conditions and belongs to person who is in state of material destitution.

Code 3 is applied if a respondent receives the disability pension (disability annuity retirement pension or a social pension, which a person receives due to his/her disability and the social dependency) and the benefit in tangible penury.

Code 4 is applied if a respondent does not receive any of mentioned social benefits; it means that neither receives the disability pension, disability annuity retirement pension or a social pension (because of his/her disability and the social dependency) nor the benefit in tangible penury.

C6	
Target population	The non-employed aged from 50 to 69 (including), who worked after age 49
Question	State the total number of years spent working for pay or profit during your working life ➤ The total number of years

See question C4 in the explanatory notes for employed.

C7	
Target population	The non-employed aged from 50 to 69 (including), who worked after age 49
Question	<p>Had you reduced your working hours before you left your last job or business?</p> <ul style="list-style-type: none"> ➤ Yes and my hourly wage was higher than in case I would have worked on full time 1 ➤ Yes, but my hourly wage was the same as in case I would have worked on full time 2 ➤ No, but I plan to do it within the next 5 years 3 ➤ No and I do not plan to do it within the next 5 years 4 ➤ No and I am in a situation when any plans are irrelevant 5 ➤ I neither reduced my working hours, nor plan to do it so because I have already moved to full retirement 6

Specification of question - See question C5 in the explanatory notes for the employed

Code 1 includes every person who reduced their working hours before they moved or will move to the full retirement and they hourly wage for reduced working time is higher than hourly wage if they would have worked on full time in the same job. It means, that proposition between the work (or duration of working time) and wage of part time is more appropriate as would have been if a person worked on full time (e.g. 50 % work and 80 % wage, for 80 % work 100 % wage etc.)

Code 2 should be used for persons who reduced they working hours before they moved or will move to the full retirement and they hourly wage for reduced working time is the same as hourly wage in case that they would have worked on full time in the same job. It means, that proposition between the work (or duration of working time) and wage of part time is the same as for full time (e.g. 50% work and 50 % wage, for 100 % work 100 % wage etc.)

! Codes 1 and 2 are also applied for person who was forced to reduce they working time before their movement to full retirement

Code 3 is used for persons who did not reduce they working time but they plan to do it within the next 5 years.

Code 4 includes all persons who did not reduce they working time and they do not plan or do not have possibility to do it within the next 5 years.

Code 5 is applied for all persons who did not reduced they working time because they are in a situation when any plans are irrelevant e.g. the unemployed who lost their job and a chance to find new one is a minimal etc.

Code 6 includes every person who did not reduce working hours in order to move to full retirement and also stopped all work for pay or profit definitely.

C8	
Target population	The non-employed aged from 50 to 69 (including), who worked after age 49
Question	At which age you would like to stop all work for pay or profit?
	<ul style="list-style-type: none"> ➤ Planned age ➤ Before 60 years old 90 ➤ Between 60 and 64 years old 91 ➤ At 65 years old 92 ➤ I plan to work as long as possible 93 ➤ I do not know 94 ➤ I have already stopped all work for pay or profit 95

See question C6 in the explanatory notes for employed

Code 95 is applied for person who already stopped all work for pay or profit with intention not to return to the labour market.

C9 - 11

The following variables deals with a working factor that could contributed/could have contributed to a person staying longer at work, Their aim is to know if improvement of working factors could made/ could have made a person postpone the exit from work.

C9	
Target population	The non-employed aged from 50 to 69 (including), who worked after age 49
Question	Do you think that more flexible working time would have contributed to make you stay longer at work?
	<ul style="list-style-type: none"> ➤ Yes 1 ➤ No 2

See question C7 in the explanatory notes for employed

C10	
Target population	The non-employed aged from 50 to 69 (including), who worked after age 49
Question	Do you think that more opportunities to update skills would have contributed to make you stay longer at work?
	<ul style="list-style-type: none"> ➤ Yes 1 ➤ No 2

See question C8 in the explanatory notes for employed

C11	
Target population	The non-employed aged from 50 to 69 (including), who worked after age 49
Question	<p>Do you think that better health or safety at workplace would have contributed to make you stay longer at work?</p> <p>➤ Yes 1</p> <p>➤ No 2</p>

See question C9 in the explanatory notes for employed

The explanatory notes come into force on 1 April 2006.