

LUXEMBOURG



Key policies to promote longer
working lives

Country note 2007 to 2017

For more information on Ageing and Employment Policies, please visit:

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Co-funded by the
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This Country Note was produced with the financial assistance of the European Union.

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KEY POLICIES TO PROMOTE LONGER WORKING LIVES IN LUXEMBOURG¹

(*Situation 2007 to mid-2017*)

Luxembourg has much to do to increase the employment rate for older workers. According to the Late Career Scoreboard (Table 1 at the end of this report), it is well below the EU average. In 2016, the employment rate for workers aged 55-64 was only 40.4% against a EU average of 55.3%. More specifically, as synthesised in Table 2, Luxembourg could take steps to raise the statutory retirement age, restrict access to publicly funded early retirement schemes, prevent welfare benefits from being used as alternative pathways to early retirement, discourage mandatory retirement by employers and review the use of seniority wages. That said, Luxembourg has already taken decisive steps to set up mechanisms for recognising and validating skills and to target workers most at risk of long-term joblessness. The challenge is to establish a corporate culture which rewards longer careers and facilitates late-career job mobility.

1. Rewarding work and later retirement

1.1. Enhancing incentives to continue working at an older age

Introduction

The retirement system is based mainly on the public scheme (first pillar), which has two elements: a general scheme for private-sector and self-employed workers and a specific scheme for public-sector workers². They are compulsory, pay-as-you-go schemes and remain separate despite having been brought into alignment since a reform in 1994-1999. Only some employers offer their employees a supplementary pension (second pillar) in addition to the general scheme. Retirement savings (third pillar) are encouraged by a tax deduction from taxable income.

Luxembourg introduced a pension reform in December 2012, involving gradual parametric changes over a 40-year period from 2013 to 2052.

Raising the statutory age of retirement

The 2012 reform did not change the statutory retirement age, which is still 65 and requires at least ten years of voluntary or compulsory contributions. Unlike in many other European countries, the statutory retirement age will not be linked to changes in life expectancy.

Facilitating phased retirement

Little use is made of phased retirement in Luxembourg. In 2012, it concerned only 6% of those aged 55-69 who were both working and drawing a pension (Reiff, 2014). Only, 5% had already started to work fewer

1. This note has been produced by the Ageing and Employment Policy Team with a contribution from Nicola Duell.

2. Civil servants, central and local government employees and employees of public establishments and the railways.

hours before drawing a pension, while the other 1% moved onto shorter hours after first receiving a pension.

Phased retirement is offered in particular to public servants³. They can continue to work part-time at 75% or 50% of full duties (minimum) while simultaneously drawing a partial pension. The salary and pension are calculated in proportion to the time worked (for example, a person working half-time would receive 50% of their salary plus 50% of their pension entitlement). Phased retirement is limited in theory to three years, though that period may be extended. It ends at the latest when the persons concerned turns 65, unless they have asked to be retained beyond that age.

Better combining of pensions with work income

Options for combining part-time work with a pension were introduced in 2009 and extended as part of the 2012 reform. Retired people under 65 may have paid work provided that the total income does not exceed the average of the best five years of their career. There is no pension reduction after the statutory retirement age (65).

Only 10% of those drawing a pension in 2012 continued to work (Reiff, 2014). More than half of them said that their reasons for doing so were non-financial (job satisfaction, social contacts, etc.). Of the rest, 22% wanted to supplement a level of income they deemed insufficient for themselves or their household, 10% wanted to acquire or increase pension entitlements and 13% sought a combination of both.

Rewarding longer careers

Anticipated retirement options remained virtually unchanged after the 2012 reform. Anyone can retire at 57 with 40 years of compulsory contributions or at 60 with 40 years of contributions, including at least 10 years of compulsory contributions (OECD, 2017a). There is no penalty for anticipated retirement.

The age breakdown for those starting to draw a pension shows that 75% of men concerned qualified for anticipated retirement in 2016, compared with 61% of women⁴. In contrast, proportionately fewer men than women start to draw a pension at the legal age of 65 (24% versus 40%). This is because career breaks are more frequent for women than for men, thus limiting women's options for anticipated retirement.

Incentives for working up to three years beyond retirement age have been introduced but with limited effect. Although it is possible to work until the age of 68, fewer than 1% of those starting to draw pensions in 2016 were aged over 65.

1.2. Towards restricted use of early retirement schemes

Restricting access to publicly funded early retirement schemes

At 31 December 2016, 1 352 people were in one of the four early retirement schemes linked to the unemployment insurance system, the first three having been in effect since 1987 and the fourth since 1998.

- i. Under the solidarity scheme (368 people), a worker aged 57 or over may be replaced for three years by a jobseeker, an apprentice or a worker exposed to the risk of redundancy.

3. See <http://www.fonction-publique.public.lu/fr/remunerations-et-pensions/retraite-progressive/index.html> (as at 21 February 2018)

4. See <http://www.isog.public.lu/islux/assurance-pension/analyse-et-resultats/les-prestations.html> (as at 21 February 2018)

- ii. The adjustment scheme (551 people) concerns employees aged 57 or over of companies in difficulty.
- iii. The shift work scheme (426 people) concerns private- and public-sector employees aged 57 or over who have spent at least 20 years on shift work or night work.
- iv. The progressive scheme (7 people) concerns full-time workers whose working hours the employer has agreed to reduce.

The early retirement allowance is equal to 85% of the reference salary for the first year, 80% for the second year and 75% for the third year. The reference salary is the average monthly salary for the last three months. The option of early retirement at 57 is limited to workers who will meet the conditions for retirement at 60 in the next three years.

Draft legislation on early retirement is in its final stages. The reform is likely to scrap the solidarity scheme and alter the conditions for the other three schemes. The aim is to target early retirement for shift work, a criterion which applies more to employees engaged in arduous work.

Introducing specific provisions for arduous/hazardous work

The notion of arduous work in Luxembourg covers shift work and night work (De Coninck and Pacolet, 2016). There is an option of early retirement at 57 after at least 20 years of shift work or night work (see above).

1.3. Preventing welfare benefits from being used as alternative pathways to early retirement

Unemployment benefits

The minimum condition for entitlement to unemployment benefits corresponds to six months in work during the previous twelve months. The entitlement to unemployment benefits lasts twelve months maximum except in certain cases, including older workers, where it may be extended by:

- i. 12 months for claimants aged 50 and over who have worked for 30 years,
- ii. 9 months for claimants aged 50 and over who have worked for 25 years,
- iii. 6 months for claimants aged 45 and over who have worked for 20 years (this provision applied until the end of 2017)⁵,
- iv. 6 months for a difficult-to-place unemployed worker (those aged 50 and over with at least 15% reduction in work capability and the over-55s).

According to the OECD (2017b), while this measure may well help some vulnerable jobseekers who have difficulties finding employment, for other older unemployed workers it may merely bridge them into generous early retirement schemes that still await reform.

Unemployment benefits correspond to 80% of the gross salary received in the three months prior to unemployment, with a cap equivalent to 2.5 times the minimum wage. This ceiling decreases the longer unemployment benefit is paid.

5. A temporary measure introduced during the financial crisis.

Social aid

A major reform of the minimum income introduced in 1999 was submitted to Parliament in the first half of 2017 (European Commission, 2017). The planned new income scheme REVIS (Social Inclusion Income) aims to establish a coherent system of income stabilisation, activation and vocational reintegration policies, with a focus on tackling child poverty and the poverty of single-parent families, and simplifying its administration. The reform is expected to considerably reduce the high inactivity traps generated by the current minimum income scheme (OECD, 2017b). The REVIS scheme will introduce stronger conditionality for recipients, who must actively search for employment. A new body, the National Social Inclusion Office (ONIS) will be set up, with responsibility for social and occupational stabilisation measures for those furthest away from the labour market. The Ministry of Labour, Employment and the Social and Solidarity Economy is working with ADEM, the Public Employment Service (PES) and the voluntary sector to reinforce services provision with specialised staff for disadvantaged people.

Disability benefits

Workers who, as a result of extended illness, disability or wear and tear, suffer a loss of working capability such that they are not able to exercise their most recent occupation or another occupation corresponding to their strengths and skills, are deemed to be disabled⁶. By law, all disability benefits are converted into pensions when the beneficiary turns 65. A person receiving disability benefit may have a professional activity, salaried or not, but the full-year income may not exceed one third of the minimum wage, otherwise the benefit is reduced by the excess amount.

Occupational redeployment via the Joint Redeployment Commission is available to workers who are unable to occupy their last position but still capable of working in other positions. A reform of the occupational redeployment system came into effect on 1 January 2016. The changes include faster procedures, better preservation of the rights of workers in outplacement schemes and creation of the necessary conditions to encourage redeployment within firms. The aim is to help companies improve working conditions and, above all, boost the reintegration of the long-term unemployed (see Section 3.2). Internal redeployment is mandatory for companies with 25 employees or more. The employment contract terminates automatically in the event of outplacement and the person concerned is registered (now automatically) as a jobseeker with the PES department for workers with reduced working capability.

According to the Ministry of Labour, Employment and the Social and Solidarity Economy (2017), half of those in outplacement in 2016 were aged over 50.

2.1. Preventing discrimination in employment on the basis of age

Implementing current or new legislation

The work-related aspect of the EU age discrimination directive was transposed into the Labour Code in 2006. A state-funded Centre for Equal Treatment (CET) was created in the same year to promote, analyse and monitor equal treatment for all without discrimination, including on the grounds of age, in both the private and the public sector. According to the Ministry of Labour, Employment and the Social and Solidarity Economy (2016), no case of age-based discrimination has been heard in Luxembourg or construed as such by the courts.

Since 2011, the CET has individually contacted each employer that fails to comply with the equal treatment requirement in job advertisements published in the press or on websites. About 120

6. See <http://www.cnap.lu/les-pensions/pension-dinvalidite/la-pension-dinvalidite/> (as at 21 February 2018)

advertisements were deemed discriminatory in 2016, 91% in relation to gender, 6% in relation to age and 3% in relation to both (CET, 2017). Only gender discrimination in job advertisements is an offence under the Labour Code, punishable by a fine of EUR 251 to EUR 2 000.

Launching public awareness campaigns

The CET prepared a brochure entitled “Advertise without discrimination” for a campaign in November 2012⁷. It was sent to all advertisers active in the media, broadly defined, and in advertising.

2.2. Taking a balanced approach to employment protection by age

Implementing age-neutral measures

The OECD database of employment protection indicators established in January 2013 does not list any specific job protection measures for older workers⁸.

2.3. Discouraging mandatory retirement by employers

By law in general and by sector/occupation, private/public sector, region

Under the Luxembourg Labour Code, a contract of employment terminates automatically on the day an old-age pension is awarded and at the latest at the age of 65. That is the case in both the private and the public sector, though in the latter a worker may be retained for up to three more years upon request. There is no legal requirement to retain a public servant (local authority employee) beyond the age limit.

The mandatory retirement age is lower for certain careers: 55-60 for transport and emergency service workers. There is no age limit for ministers of religion, members of the government, members of parliament or councillors of state.

2.4. Encouraging the social partners to implement better retention and hiring mechanisms targeted at older workers

For all older workers

The establishment of a legal framework containing a requirement for employers with a certain number of employees to draw up an age management plan, including access to training, was discussed by the Permanent Committee of Labour and Employment (CPTE) as from 2012. A forum for social dialogue, the CPTE is a tripartite body comprising representatives of the government, trade unions and employers which meets several times a year under the chairmanship of the minister responsible for labour and employment. Draft legislation on an “Age Pact” was submitted to Parliament in April 2014 but has not yet been adopted. According to the European Commission (2017), the bill remains stalled pending the outcome of tripartite negotiations that could lead to major modifications.

Under the draft bill, within three years of its adoption companies with more than 150 employees would have to present an age management plan focusing on at least three of the following issues: recruiting older workers, facilitating career changes, improving working conditions, giving access to lifelong learning and passing skills on to younger generations. Financial support for the implementation of such plans is planned

7. See <http://cet.lu/fr/2012/11/annoncer/> (as at 21 February 2018)

8. <http://www.oecd.org/els/emp/Luxembourg.pdf> (as at 21 February 2018)

both for the companies concerned and for those which are not required to implement a plan but do so voluntarily.

The CPTE could regularly monitor progress in these areas and issue an annual report on implementation of the new legal requirements.

Review of the use of seniority wages

Wage-setting in Luxembourg is not regulated by law: pay is freely determined by the employer and the employee. However, employers are required to comply with the minimum wage rate and, where relevant, the wage scales defined in certain collective agreements. Consequently, the government has relatively little scope for reviewing the use of seniority wages. The public sector could show the way, however, by making pay more dependent on productivity than on seniority.

2.5. Encouraging good practice in collective labour agreements and/or by individual employers/industries in managing an age-diverse workforce

For all older workers

The social partners admitted in 2012 that few good age-management practices had been rolled out in Luxembourg (Eurofound, 2012). The employment culture of large firms, especially those in the financial sector, is predominant, with a preference for hiring young graduates. It is a source of concern because there is a risk that changes in the structure of employment, especially a shift from manufacturing to services, will cause job losses among older and low- or less-skilled workers in particular.

On the basis of two surveys of private-sector companies with 50 or more employees carried out by CEPS/INSTEAD in Luxembourg in 2004 and 2012, Leduc (2013) evaluates measures taken by companies that may help to keep older workers in employment. In 2012 in comparison with 2004, companies were more inclined to manage working conditions in a way that broadly favoured better quality of life at work for all age groups, whether in the organisation of working time or of work itself. For the organisation of work, some firms responded more often to requests from older workers than from younger ones. Those responses probably originated in sectors with arduous working conditions where older workers need more attention for issues such as health. Workers' reasons also changed: the proportion of firms receiving requests from workers wanting to work beyond the legal retirement age almost doubled, from 19% in 2004 to 36% in 2012.

The government is currently working on a strategy that could pave the way for career opportunities for the less-skilled resident population. The recently created employers' department in the PES has strengthened links with the business community (European Commission, 2017).

Sharing skills and experience between different age groups

Actions to promote diversity have been introduced since 2012 through the Lëtzebuerg Diversity Charter⁹, an initiative promoted by private- and public-sector firms, non-profit bodies and government agencies under the umbrella of IMS Luxembourg (Inspiring More Sustainability). Luxembourg companies are invited to sign up to a pledge to promote diversity through practical initiatives that go beyond statutory and regulatory non-discrimination requirements. There were 164 signatories in 2017, drawn from both the private and the public sector. The PES, for example, took part in the 2016 Diversity Day, when an

9. See <http://wwwchartediversite.lu/charter-diversite-letzebuerg> (as at 21 February 2018)

awareness-raising session on diversity was offered to all PES employees. Age diversity and mentoring by older workers were particular points of focus at the 2017 Diversity Awards.

3. Promoting the employability of workers throughout their working lives

3.1. Enhancing participation in training by workers in their mid- to late careers

Promoting lifelong learning and development of the adult vocational education and training system

There is a wide range of adult training service providers in Luxembourg. Apart from schools, this type of training is also provided by professional chambers, industry bodies, especially in the banking, construction and healthcare sectors, and the PES, local authorities and trade unions for jobseekers. Training service providers should take a more flexible and user-friendly approach in order to increase the participation of low-skilled, late-career workers, for example by developing online, distance, part-time and modular learning (European Commission, 2016).

Access to training is easier for employees who get paid training leave. However, the amount is limited to 20 days in two years and 80 days in the total of the career, which may not be enough to complete longer and more demanding qualifications. Targeted training allowances exist for jobseekers (vouchers for non-formal education), low-skilled workers (reimbursement of salary costs) and older employees (subsidies), provided they have worked in the company for more than ten years. An alternative or complementary approach recommended by the OECD (2017b) could be to create individual learning accounts like those in France which provide individuals with more responsibility and control, allowing for a better match between individual needs and appropriate training.

According to the OECD (2017b), maintaining human capital can be challenging for older workers as employers may be less likely to train those who may soon retire. For many workers, making significant skills investments in later life requires time off the labour market and high opportunity costs in terms of foregone earnings. These externalities and possible under-investment in skills by firms and workers provide a rationale for government intervention. The wage increases required to cover the cost of studying at an older age are among the highest in the OECD, at more than 10% per year, showing that it can be difficult for the government to provide sufficient financial incentives for older workers to invest in skills¹⁰.

Providing guidance services

In 2012, the government created a career guidance centre (*Maison de l'orientation*) which brings together several public career guidance and counselling services under the same roof and gives users information about the quality of the different providers¹¹.

Setting up mechanisms for recognising and validating skills

Validation of acquired experience (VAE), whereby formal or informal experience is rewarded by certification, was introduced with the reform of the vocational training system in 2010. Individuals with at least three years' experience in an activity can now submit an application to the ministry. If they fulfil the conditions, they may obtain a full or partial vocational capacity certificate, vocational aptitude diploma, certificate of proficiency, technician diploma or technical secondary school diploma.

10. See Figure 1.16, OECD (2017b).

11. [More information at www.maison-orientation.lu](http://www.maison-orientation.lu) (as at 21 February 2018)

VAE is based on a partnership between the government and professional chambers of employers and employees, who provide training. The system is backed up by validation commissions appointed by the Minister of Education, Children and Youth for a five-year term, each comprising two representatives of employers and of employees, proposed by the professional chambers concerned, and two schools representatives.

Figures released by the Ministry of Education, Children and Youth on 31 December 2014 show that demand for VAE is rising, with 334 applications in 2014 compared with 299 in 2010. However, that is much smaller than the number of initial enquiries in the first stage of the procedure (there were 1 389 initial enquiries in 2014). According to feedback from commission members, one of the reasons is that initial enquiries are drawn up and completed in an unsatisfactory way which does not allow them to make a judgment. More systematic support for applicants would doubtless help to considerably improve the quality of applications submitted, provided that the support providers themselves have been given training that would make them aware of what validation commissions expect.

3.2. Providing effective employment assistance to older jobseekers

Promoting an all-age mainstreaming activation approach

The resources and staff of the PES have increased since the reform in 2011, enabling it to allocate more staff to frontline services for jobseekers and employers. More help with the search for work and more frequent meetings between jobseekers and their adviser are good practices that can reduce the length of periods of unemployment.

Personalised plans for jobseekers are a way of taking better account of their individual situation. The policy was rolled out for newly registered jobseekers in all PES agencies in 2015. After profiling to determine their distance from the labour market on the basis of objective criteria such as training, experience, language skills and health, jobseekers are directed towards the offer of services that best corresponds to their needs.

- i. Those who are close to the labour market are given standard support: they sign a co-operation agreement and are overseen by a PES adviser.
- ii. Those further away from the labour market are given intensive support, including an individual action plan defined in a co-operation agreement and support from a specially trained PES adviser.

At 31 December 2016, 77% of all jobseekers registered with the PES had had profiling, with 32% being directed towards intensive support and 68% to standard support. The 23% who had not yet had profiling were long-term unemployed workers, most of them aged over 55.

Targeting workers most at risk of long-term joblessness

The “Fit4job” scheme is one of the Luxembourg government’s active labour market programmes (ALMPs) (Ministry of Labour, Employment and the Social and Solidarity Economy, 2016). The scheme aims to:

- i. offer proactive, focused support to workers who have lost their job in a sector.
- ii. increase the employability of such workers by means of a diagnosis followed by training specially developed for the sector concerned.
- iii. ensure close co-operation with professionals in the sector in order to meet the needs of the sector and the people concerned as well as possible.

A “Fit4job 45+” scheme was launched under the auspices of the European Social Fund in 2010, followed in 2011 by “Fit4job 45+/seniors”. “Fit4Job – Relaunch my career” schemes have been rolled out with key

partners, including industry training centres, in order to meet companies' skills needs. A scheme initiated by the Ministry of Labour, Employment and the Social and Solidarity Economy and the PES in co-operation with the Luxembourg Institute for Training in Banking (IFBL) aims to help jobseekers aged 45 and over review their skills and find work, in particular through coaching (Ministry of Labour, Employment and the Social and Solidarity Economy, 2016). Continued and expanded in 2014, the scheme aims to increase the activation of older jobseekers, especially the long-term unemployed who have come to the end of unemployment benefit entitlement. Under the scheme they are activated, directed towards appropriate training as necessary and given help with writing their CVs and job applications and preparing for job interviews.

No information is available about the impact of these measures.

Legislation to tackle the problem of long-term unemployment was passed in July 2017, introducing a new subsidised employment measure (*Emploi d'insertion*) and amending certain provisions of the Labour Code.

- i. A subsidy may be granted to the government, public establishments, local authorities, non-profit associations and foundations that hire a jobseeker registered with the PES for more than 12 months on an open-ended contract.
- ii. The subsidy is granted to the employer by the minister on an opinion from the PES and adjusted according to the age of the person hired: for those aged 30-49 it is paid for the first three years after hiring and conclusion of an open-ended employment contract, and for those aged 50 and over until the day on which the employee is awarded a retirement pension.

Providing employment/hiring subsidies to firms

The Employment Fund reimburses private-sector employers for employer and employee social security contributions if they hire older or long-term unemployed workers, whether on benefit or not.

Two new ALMPs for jobseekers aged over 45, in outplacement or classed as disabled, managed by the PES¹², came into effect in 2016:

- i. a professionalisation placement lasting a maximum of six weeks, which gives jobseekers an opportunity to demonstrate their professional capacities within a company.
- ii. a professional reintegration contract, which gives jobseekers the possibility of improving their professional knowledge and skills within a company for a maximum of 12 months.

These measures are intended for companies that can offer a genuine possibility of hiring the worker concerned on an open-ended contract. Targeted measures to encourage employers to hire and retain older workers by contributing to their salary cost, are combined with personalised support that depends on the distance from the labour market (Clauwaert et al., 2016).

No information about the impact of these measures is available at the present time.

Providing other active labour market policies

There are many programmes to support business creation in Luxembourg, managed by the professional chambers in co-operation with the PES, such as "Fit4Entrepreneurship" and "Fit4Start"¹³, which provide

12. <http://www.adem.public.lu/fr/demandeurs-demploi/beneficier-mesures-aides/mesures-emploi/stage-professionnalisation/index.htm> (as at 21 February 2018)

13. <http://www.innovation.public.lu/fr/innover/start-up/coaching/fit-for-start/index.html> (as at 23 February 2018).

funding to startups and advice on professional reintegration. There is no information on whether older workers take part in these programmes.

3.3. Enhancing job quality for older workers

Although working conditions are regularly inspected in Luxembourg there are few measures to foster occupational health and safety for older workers (Pelsy et al., 2016). In 2014, 71.1% of workers aged 55-64 were satisfied with their working conditions, which is higher than the average (61.6%) according to the Quality of Work survey carried out by the Luxembourg Chamber of employees¹⁴. Likewise, older workers (55-64) experienced less stress at work than the average (40.5% versus 30.7%). That could be attributable to the “healthy worker effect”, which suggests that only the healthiest and least fragile older workers stay in the labour force, with the others retiring earlier.

Strengthening workplace safety and physical and mental health

One of the tasks of the Inspectorate of Labour and Mines (ITM), one of the oldest government agencies in the Grand Duchy of Luxembourg, is to help foster a culture of prevention and co-operation with regard to working conditions encompassing different aspects of labour law and occupational health and safety.

ITM organises regular meetings on the subject of older workers, including one with the social partners in December 2016 to discuss the issue of “Wellbeing in the workplace at any age” in the context of the campaign of the European Agency for Safety and Health at work (EU-OSHA). It concluded that adapting future workplaces for the needs of workers of all ages was a valuable asset not only for the employees themselves but also for employers. Promoting health and safety at work from the start of a worker’s professional career helps to ensure that they can remain in employment throughout their working life and in good health as they get older.

Reducing the incidence of arduous/hazardous work

The Labour Code contains a specific provision for older workers, whereby workers aged over 50 exposed to occupational risks such as night work are given more frequent medical examinations. These take place every three years, as against every five years for younger workers, and the law also requires more frequent examinations for example for workers exposed to chemicals (Pelsy et al., 2016).

14. Second wave of the survey carried out jointly with the University of Luxembourg and Infas
<http://www.statistiques.public.lu/fr/actualites/population/travail/2014/11/20141126bis/index.html> (as at 21 February 2018)

Table 1. Late Career Scoreboard, Luxembourg, 2006 and 2016

	Luxembourg		EU28 ^a		OECD ^a	
	2006	2016	2006	2016	2006	2016
Demographic situation						
-- Old-age dependency ratio ^b	0.23	0.22	0.28	0.32	0.23	0.28
-- Effective labour force exit age ^c (years) Men	58.9	61.2	62.0	63.4	63.6	65.1
Women	61.0	61.0	60.5	62.0	62.3	63.6
Employment						
-- Employment rate, 50-74 (% of the age group)	32.9	40.8	38.3	45.4	47.0	50.8
of which 50-54	72.6	82.2	73.1	77.9	73.8	75.7
55-64	33.2	40.4	43.3	55.3	52.7	59.2
65-69	1.1	-	9.1	12.1	20.3	25.5
70-74	-	-	4.4	5.5	12.0	14.6
-- Gender gap in employment, 55-64 ([men-women]/men)	0.28	0.31	0.34	0.21	0.32	0.25
Job characteristics						
-- Incidence of part-time work, 55-64 (% of total employment in the age group)	22.1	23.8	22.1	22.2	20.3	21.1
of which voluntary 55-64 (% of part-time work in the age group)	94.4	93.0	85.4	78.9	87.3	85.2
Average number of weekly hours worked	17.3	17.1	17.1	17.5	16.6	16.9
-- Incidence of temporary work, 55-64 (% of employees in the age group)	2.6	4.4	6.9	6.7	8.9	7.9
-- Incidence of self-employment, 55-64 (% of total employment in the age group)	7.0	13.6	24.1	19.7	38.0	32.8
-- Full-time earnings, 55-64 relative to 25-54 (ratio)	-	-	-	-	1.09	1.10
Dynamics						
-- Retention rate ^d after 60 (% of employees t-5)	23.7	22.6	37.1	48.8	40.3	50.3
-- Hiring rate, ^e 55-64 (% of employees in the age group)	2.4	5.1	6.1	5.8	9.2	9.1
Joblessness						
-- Unemployment rate ^f , 55-64 (% of the labour force aged 55-64)	1.4	4.7	6.1	6.4	4.3	4.6
-- Incidence of long-term ^g unemployment, 55-64 (% of total unemployment in the age group)	(76.0)	(81.5)	49.8	63.7	26.3	44.3
-- Marginally attached workers, ^h 55-64 (% of population in the age group)	3.0	2.0	2.4	1.9	1.2	1.2
Employability						
-- Share of 55-64 with tertiary education (% of population in the age group)	18.2	27.5	17.2	22.9	20.0	26.2
-- Participation in training, ⁱ 55-74 (% of employed in the age group)	6.4	12.7	-	8.5	-	-
Relative to employed persons aged 25-54 (ratio)	0.69	0.66	-	0.66	-	-

a) Weighted averages with the exception of the share with tertiary education.

b) The ratio of the population aged 65 and over to the population aged 20-64.

c) Effective exit age over the five-year periods 2001-2006 and 2011-2016. The effective exit age (also called the effective age of retirement) is calculated as a weighted average of the exit ages of each five-year age cohort, starting with the cohort aged 40-44 at the first year, using absolute changes in the labour force participation rate of each cohort as weights.

d) All employees currently aged 60-64 with job tenure of five years or more as a percentage of all employees aged 55-59 five years previously.

e) Employees aged 55-64 with job tenure of less than one year as a percentage of total employees.

f) Year 2016 refers to 2015.

g) Unemployed for more than one year. Data in brackets are based on small sample sizes.

h) Persons neither employed, nor actively looking for work, but willing to work and available for taking a job during the survey reference week. Year 2006 refers to 2009.

i) Participation in formal and non-formal training in the last four weeks.

Source: OECD estimations from the *OECD Employment Database*, the *OECD Earnings Distribution Database*, *OECD Education at a Glance* and the *Eurostat Database on Education and Training*.

Table 2. Implementing ageing and employment policies in Luxembourg, 2007 to mid-2017

1. Rewarding work and later retirement	
1.1. Enhancing incentives to continue working at an older age	
Raising the statutory age of retirement	/
Facilitating phased retirement	+
Better combining of pensions with work income	+
Rewarding longer careers	+
1.2. Towards restricted use of early retirement schemes	
Restricting access to publicly funded early retirement schemes	/
Introducing specific provisions for arduous/hazardous work	+
1.3. Preventing welfare benefits from being used as alternative pathways to early retirement	
Unemployment benefits	/
Social aid	+
Disability benefits	+
2. Encouraging employers to retain and hire older workers	
2.1. Preventing discrimination in employment on the basis of age	
Implementing current or new legislation	+
Launching public awareness campaigns	/
2.2. Taking a balanced approach to employment protection by age	
Implementing age-neutral measures	+
2.3. Discouraging mandatory retirement by employers	
By law in general and by sector/occupation, private/public sector, region	/
2.4. Encouraging the social partners to implement better retention and hiring mechanisms targeted at older workers	
For all older workers	+

<i>Review of the use of seniority wages</i>	/
2.5. Encouraging good practice in collective labour agreements and/or by individual employers/industries in managing an age-diverse workforce	
<i>For all older workers</i>	+
<i>Sharing skills and experience between different age groups</i>	+
3. Promoting the employability of workers throughout their working lives	
3.1. Enhancing participation in training by workers in their mid- to late careers	
<i>Promoting lifelong learning and development of the adult vocational education and training system</i>	+
<i>Providing guidance services</i>	
<i>Setting up mechanisms for recognising and validating skills</i>	++
3.2. Providing effective employment assistance to older jobseekers	
<i>Promoting an all-age mainstreaming activation approach</i>	+
<i>Targeting workers most at risk of long-term joblessness</i>	++
<i>Providing employment/hiring subsidies to firms</i>	+
<i>Providing other active labour market policies</i>	+
3.3. Enhancing job quality for older workers	
<i>Strengthening workplace safety and physical and mental health</i>	+
<i>Reducing the incidence of arduous/hazardous work</i>	+
++ = Substantial action taken. + = Some action taken, but more could be done. +? = Some action taken, but requires further assessment. ? = Some action taken with negative impact. / = No relevant action taken.	
<i>Source:</i> Assessment based on the documents indicated as References.	

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