

CZECH REPUBLIC



Key policies to promote longer
working lives

Country note 2007 to 2017

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KEY POLICIES TO PROMOTE LONGER WORKING LIVES IN THE CZECH REPUBLIC¹

(Situation 2007 to mid-2017)

The Czech Republic could do more to raise its effective retirement ages. According to the Late Career Scoreboard at the end of this report (Table 1), despite recent increases these remain below the EU averages (in 2016, 62.5 for men and 60.8 for women, compared with 63.4 and 62, respectively). In particular, as synthesised in Table 2, the Czech Republic could take action to launch public awareness campaigns to prevent age discrimination; encourage good practice in collective labour agreements and by individual employers in managing an age-diverse workforce; review the use of seniority wages; and strengthen workplace safety as well as physical and mental health. That said, the Czech Republic has taken considerable action to provide access to training adjusted to older workers' experience and learning needs, and to promote lifelong learning and the development of the country's adult vocational education and training system.

1. Rewarding work and later retirement

1.1. Enhancing incentives to continue working at an older age

Introduction

The first pillar of the old-age pension scheme consists of a compulsory public pay-as-you-go scheme, covering the employed and self-employed. As of January 2013, every insured person could voluntarily opt into a privately managed, funded defined contribution pension system, the second pillar that was abolished with effect 1 January 2016. The third pillar consists of supplementary pension insurance with state contributions and other forms of private insurance (European Commission, 2015).

Raising the statutory age of retirement

A new schedule for increasing the statutory retirement age was adopted in 2017. The retirement ages for men and women (respectively, 63 and 4 months and 62 and 8 months in 2018) will be unified at 65 for persons born after 1971. The legal retirement age for men gradually increases by 2 months each year until reaching 65. The legal retirement age for women is increasing by 4 months each year (6 months from 2018) until it equals that of men. Once women's retirement age has caught up with the one of men, the increase will be 2 months per year for both men and women until reaching 65. Further changes in the retirement age will result from the process of regular review set by law. Previous reforms decided in 2011 aimed at raising the retirement age for all individuals born in 1975 to the age of 66 years and 8 months (OECD, 2014).

Facilitating phased retirement

For every 180 days of economic activity during which the claim for half of an old-age pension is postponed, the calculation basis increases by 1.5%. Legislation making it possible to receive half of the

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

pension after reaching retirement age (partial pension) was enacted in 2008, with effect from 2010. Take-up of this measure is negligible.

Better combining of pensions and work income

In 2008, the Czech Republic decided to abolish restrictions on the concurrent receipt of an old-age pension and income from work, but only after the normal retirement age; this ruling came into effect in 2010. From 2010, pensioners receive the full amount of their pension, which is then increased by 0.4% of the assessment base for each additional 360 days worked.

So far no significant effects have been observed as a result of this change, since throughout the economic crisis the number of deferred old-age pensions systematically dropped to about 10-20% of the pre-crisis number. This drop was likely also caused by the smaller size of the population cohort that has recently been retiring. The reform could prove to have greater impact in a more favourable labour market context.

As part of fiscal austerity measures, from 2013 working old-age pensioners receiving a retirement pension on 1 January of that year did not have the right to claim a tax credit in the amount of CZK 24 840 in that year. Thus taxation of working pensioners was higher than that of other employed persons. On 30 July 2014, the Constitutional Court abolished that legislation, enabling all taxpayers to apply the tax reduction from 2015 onward. This decision, which aimed to make tax rights more equitable for all employees regardless of age, could additionally heighten the incentive for retired persons to continue to work.

Rewarding longer careers

The minimum required years of coverage will gradually increase, from 25 years to 35 years (or 30 years without non-contributory periods); the latter thresholds are to be reached after 2018. Individuals with 15 years of pension coverage (gradually increasing to 20 years or remaining at 15 if they are fully contributory) can receive a pension benefit five years later than the standard retirement age for males of the same birth cohort. This amendment should provide an incentive to work longer (OECD, 2017).

A gradual extension of the reference period calculated to cover lifelong earnings was adopted in 2011 to encourage longer working lives. The extension will be phased in gradually because reliable data are only available from 1986. The earnings-related pension yields 1.5% of earnings for each service year. Earlier years' earnings are indexed to the growth of economy-wide average earnings. The value of the basic pension is equal to 9% of the legislated average wage. It is possible to defer claiming a pension beyond the normal pension age; the total accrual factor is increased by 1.5% for each completed 90-day period of deferral (6% per year).

1.2. Towards restricted use of early retirement schemes

Restricting access to publicly funded early retirement schemes

Early retirement is allowed for a period of five years from the age of 60, but the penalty for that option is now more severe: 0.9% of the assessment base for every (even incomplete) 90 days of early retirement up to 360 days; 1.2% for every following (even incomplete) 90 days up to 720 days; and 1.5% for every (even incomplete) 90 days following the 720 days.

Introducing specific provisions for arduous/hazardous work

Miners have a lower retirement age and they have no penalties for early retirement. No action has been taken for older workers in other sectors and occupations, although exploratory discussions have recently been conducted by the Expert Committee on Pension Reform (Jahoda, Malý and Sirovátka, 2016).

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

Unemployment (insurance and assistance) benefits

From 2009, the duration of unemployment insurance entitlement varies with age: five months up to age 50, eight months from ages 50 to 55, and eleven months for those over 55. The reasons for a longer period of support for the older unemployed are that they are often in a worse position in the labour market, and their length of registration with the Public Employment Service (PES) is usually longer than average. Periods of earnings-related unemployment insurance are credited in the pension system. In addition, up to three years spent in unemployment without entitlement to unemployment insurance are also credited (but only one year of unemployment without benefits before the age of 55). The unemployment period used to calculate the pension is reduced to 80%. There is no reported evidence that unemployment benefits are used as an alternative source for *de facto* departure from the labour market.

Social aid

A new programme to assist those with insufficient incomes, called Assistance in Material Need, has been in effect since 2007; it replaces the former system of social care benefits established by the Act on Social Neediness. Designed to motivate people to actively strive to meet their financial needs, the new system is one of the principal approaches applied by the Czech Republic to combat social exclusion. New legal measures give financially preferential treatment to those benefit recipients who are active jobseekers or who are working; the system thus motivates people to accept even a job that is low paid. An eligible unemployed person must either i) be registered as a jobseeker, be actively seeking a job and accept an offered job, or ii) participate in an active labour market programme (ALMP) (unless the person has a serious reason to refuse it) and, upon request, take up short-term employment or participate in public works or community service. Incomes from work are only partly counted in the appraisal of material need assistance. However, job search requirements also apply to the older unemployed; the age limit was increased from 65 to 68 in 2010. Job-search and work availability are not required for old-age and disability pensioners, persons attending care-dependent persons or children and (under certain conditions) disabled and temporarily sick persons. Early positive results of the new system were reported shortly after the new law took effect: the number of benefits recipients decreased,² a portion of them returned to the labour market, and there was a reduction in long-term dependency on social benefits (Jahoda, Kofroň and Šimíková, 2008; Šimíková, 2012).

Disability benefits

A three-tier disability pension system was introduced in 2008, replacing the former two-tier system. In addition, the process of assessing disability was altered in 2009 to reflect developments in medicine and in the labour market.

An amendment to the 1991 Act on Organisation and Implementation of Social Security took effect in 2011 to allow the Czech Social Security Administration to recommend taking up work rehabilitation when a series of check-ups establishes that a person has ceased to be disabled. The persons who are no longer considered disabled are offered participation in specialised ALMPs in order to be reintegrated into the labour market.

2. Statistical data are from “*Statistická ročenka z oblasti práce a sociálních věcí*” (www.mpsv.cz/cs/3869) and Basic Indicators of Labour and Social Protection in the Czech Republic (www.mpsv.cz/cs/13909, both accessed 14 February 2018).

The trend in inflows to disability pensions has been reversed. Over 47 000 disability pensions were newly granted in 2009. After the reform, that number dropped to about 28 000 in 2010 and slowly increased in the years following, reaching about 30 000 in 2016 (according to data of the Czech Social Security Organisation). The largest decline was recorded in the inflow to the disability pensions of the highest degree (the third degree, which corresponds to the former full disability pension). That inflow declined from 21 000 in 2009 to 10 500 in 2010 and to 9 500 in 2016 (again, according to data of the Czech Social Security Organisation). However, these findings could be influenced by the transformation of invalidity benefits for persons over 65 to old-age benefits, a change introduced in 2010. There has moreover been a significant shift from higher degrees of disability to lower ones in cases of pensions already being paid. Also, in 2016 there were 15 500 changes in the invalidity degree, including more than 6 200 changes to the third degree (deteriorated state of health), 6 400 changes to the second degree (improved or deteriorated state of health) and almost 2 900 changes to the first degree (improved state of health). More could be done to provide vocational rehabilitation to people with disabilities, both early on and in the course of reassessment of workability.

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

Czech legislation guarantees equal treatment for all employees. While the Anti-discrimination Act was introduced in 2009, prohibition of discrimination on the grounds of age had already been embodied in the Employment Act and in the Labour Code. These legal regulations did not, however, enumerate specific protections against discrimination.

Controlling activities have been reorganised and resources increased to enforce the legislation. In 2005 the State Inspection Office, specialising in labour law relations and safety at work, was set up by an amendment to the Act on Labour Inspection. As of January 2012 the inspection authority is transferred from the PES to the State Labour Inspection Office with the aim of increasing effective enforcement of legislation, including laws on anti-age discrimination. The staff and technical capacity of this institution is also being increased. According to the 2005 Act on Labour Inspection, employers can be fined by the labour inspectorate if they are not complying with the Anti-discrimination Act. No evaluation has been undertaken of the work of labour inspections on tackling age discrimination.

Along with ratification of the UN Convention on the Rights of Persons with Disabilities in 2009, the Czech government adopted measures of positive discrimination to promote the employment of people with disabilities, some of whom are older workers. The employer can meet this obligation by employing persons with disabilities (for companies with more than 25 employees, the quota is 4% of people with disabilities among total staff); through a dedicated levy to the state budget; or by subscribing services or goods from or placing orders with relevant providers (e.g. sheltered workshops). Furthermore, every employer taking on individuals with disabilities receives a tax deduction of CZK 18 000 per every employee with a recognised disability of the first or second degree, and a deduction of CZK 60 000 if an employee is a person with a more severe disability (third degree).

Launching public awareness campaigns

In 2006, a campaign was run at the state, regional, and local levels to enhance awareness concerning the abilities of older workers.

2.2. Taking a balanced approach to employment protection by age

Implementing age-neutral measures

From 2010, pensioners are no longer limited to signing one-year temporary contracts, and new rules for increases in individual pensions while the recipient is working have been introduced.

Flexibility in labour relations was increased by a new Labour Code in 2007, and by new measures that entered into force in 2012. Changes have been aimed at reducing the administrative burden of hiring older workers, mainly for small and medium-sized enterprises (SMEs). These include decreasing severance pay when the term of employment is less than two years, and increasing flexibility in working arrangements and working hours.

In 2013 the government cancelled the entitlement of retired older workers to claim a tax deduction. Thus, the taxation of retired older workers was higher than that of other employees or tradesmen. In 2014 the Constitutional Court of the Czech Republic renewed the entitlement of retired older workers to claim a tax deduction. Since 2015 each taxpayer, regardless of age, is entitled to claim a tax deduction.

2.3. Discouraging mandatory retirement by employers

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

There are no mandatory retirement rules in place.

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

For all older workers

The Czech Republic has launched several initiatives to change attitudes towards older workers. The Government Council for Older Persons and Population Ageing was established in 2006 as a permanent advisory body to the government. The council promotes conditions for healthy and active ageing, dignity in old age, and the active participation of older persons in the economy and society. One of the tasks of this council consists of initiating and supporting co-operation among public administration, social partners, non-governmental organisations (NGOs), organisations of older persons, and other institutions and individuals involved in the area of ageing. Furthermore, it encourages research in this area and disseminates results.

Since 2006, fostering dialogue on age management has been a first step in drawing up strategic documents on preparation for ageing. Since then several courses and debates have been organised. However, the development and practice of age management is still in early stages.

Review of the use of seniority wages

Legislation does not impose any application of the principle of seniority in the remuneration of employees in the private sector. In the private sector wages and wage scales are usually negotiated in collective agreements. In public administration, the principle of seniority is applied through salary scales that represent the factor gained in the relevant practice of a public servant; the pay scales cannot be modified by collective bargaining.

According to the Civil Service Act from 2014 (in force since 2015), seniority in terms of experience already gained at a certain position is taken into account when setting the salary grade, although the salary

depends mainly on the nature of the work activity, as well as on evaluations of employees' performance. The principle of seniority in determining the employee's salary (or when designing salary scales) was already applied in previous laws and was not amended by the Civil Service Act. In the remuneration of other employees in the public sector (public services and administration), the principle of seniority continues to apply in the same way. It is advisable to remove rules that link salary to the length of service, except when the years of experience can be expected to raise the productivity of the older workers accordingly.

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

Sharing knowledge and experience across different age groups

The European Social Fund has been used to implement projects aimed at developing age management approaches in companies. One of these measures is the “Tandem of Generations – Fostering Intergenerational Change”, which has been implemented through projects in three selected regions of the Czech Republic since 2014. Employers receive wage subsidies for employees approaching retirement age (three years before eligibility for a pension) if the employer, at the same time, recruits jobseekers without long-term work experience (i.e. graduates) or persons long interrupted from work (i.e. parents returning from parental leave). Financial support is conditional – the employer has to provide training to new employees and cannot terminate working relationships with older workers.

The project “Job Sharing as a Form of Intergenerational Transfer of Competencies Among Workers”, which ran from 2014 to 2015, collected and analysed information on support tools and the practical use of job-sharing and intergenerational transfer in the Czech Republic and abroad and also prepared tools to assess the readiness of companies and organisations to use flexible forms of work. This project runs under the authority of the Labour Office of the Czech Republic. It is co-financed by European Social Fund.

Adjusting the work responsibilities of older workers

No specific action relevant to older workers has been taken. Individual employers may have implemented this type of measure.

Adjusting the working-time arrangements of older workers

No specific action relevant to older workers has been taken. Individual employers may have implemented this type of measure.

Other issues such as internal job mobility, further training, workplace adjustment, age discrimination, mandatory retirement

The National Programme of Preparation for Ageing 2008-2012 defined the following strategic areas and priorities: active ageing, age-friendly environments and communities, health and health care for older persons, family and carers, the social participation of older persons, and human rights. These issues should be promoted throughout all sectors and at all levels of public administration. A report on implementation of the programme's priorities and measures is submitted annually to the Government Council for Older Persons and Population Ageing. In 2010, a project titled Promoting Employment and Use of Leisure Time of Seniors – People of Pre-retirement Age in the Age of 50+ began operations. It promotes the sharing of best practices for prolonging economic activity and social integration, and for improving the work-life balance of people in pre-retirement and at retirement age.

As part of the European Year of Active Ageing and Intergenerational Solidarity, a National Action Plan on Ageing 2013-2017 was prepared. It is meant to be updated every five years and involves all ministries. The Ministry of Labour and Social Affairs is the national co-ordinator of the ageing policy. Priorities include promoting the employment of older workers and lifelong learning horizontally across all sectors and at all levels of public administration.

In 2012, the Czech trade unions also elaborated an age management guide for employers (Hasmanová Marhánková and Fries-Tersch, 2016).

3. Promoting the employability of workers throughout their working lives

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

Providing guidance services

No specific actions relevant to older workers have been taken.

Providing access to training adjusted to the experience and learning needs of older workers

In the Czech Republic, jobseekers and employees above the age of 50 often lack knowledge of foreign languages and ICT skills, which diminishes their chances in the labour market. Labour offices in the Czech Republic support such training (or retraining) of jobseekers in order to increase their qualifications to match current labour market needs. In 2010, older jobseekers comprised nearly one-fifth of all vocational training (retraining) participants. In 2017, the share of jobseekers older than 50 among all participants in retraining was 28%. The Law on Employment of 2004 grants every jobseeker the right to choose a retraining course. In addition, availability of self-organised retraining (since 2012) may have supported a better match of unemployed individuals with specific training needs to a desired retraining programme (in 2017, the participation of older persons in this type of retraining was 14%; see Münich and Jurajda, 2015). In addition to the retraining of jobseekers, training of older employees is also supported directly according to the specific needs of employers. This is the POVEZ II (Support of Vocational Training of Employees) project, which favours those employers who involve older persons in training (at least 20% over the age of 54).

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

Promoting lifelong learning is one of the priorities identified in the national strategies and action plans for active ageing (see above). A few new projects and measures have been set up to upskill the workforce, and several new institutions set up. The National Institute for Further Education (NIFE), founded in 2005, arranges and offers courses, seminar meetings, lectures and other activities connected to further education. The Fund for Further Education, established in 2011, operates under Ministry of Labour and Social Affairs. Bringing together information, knowledge and experts, it helps people find a job and integrate into society. This is a public institution that manages many projects for adult education, arranging and offering the courses, seminars, etc. The POVEZ II project mentioned above is one example, which builds on projects like “Educate Yourself!” and “Educate for Growth!” (see below).

In response to the economic recession, several projects have been started that aim to support the training of employees, especially in enterprises that have been affected by the recession (“Educate Yourself!” and “Educate for Stability!”) and also in companies that have overcome the effects of the recession but have need for development (“Educate for Growth!” to support staff training). Funding for these projects is provided to employers to cover the costs of training activities and salary costs of the staff involved in education. Support depends solely on the needs of employers and their employees, regardless of age.

Training courses are mainly financed through the ESF and are implemented by the PES and various NGOs. ESF funding is applied selectively to support vulnerable groups within Regional Individual Projects (IPRs), some of which focus on those with only elementary education or on the older unemployed (over 50) (Münich and Jurajda, 2015). It appears that overall efforts to promote lifelong learning need to be continued and strengthened.

Setting up mechanisms for recognising and validating skills

No actions relevant to older workers have been implemented.

3.2. Providing effective employment assistance to older jobseekers

Promoting an all-age mainstreaming activation approach

A new, centralised PES was established in 2011. One of the main aims of the centralisation was to provide more efficient targeting of human and financial resources. All existing non-contributory social benefits are operated within the new organisational structure of the PES. Activities that previously were managed at the departmental level are now steered by the regional branches of the PES, the levels to which economic responsibility has been transferred.

The results of the newly established PES are scheduled to be evaluated. Observers point to some difficulties in implementing the restructuring and it seems that efficiency can still be increased (Münich and Jurajda, 2015). One major challenge for the PES is coping with budget cuts that led to a reduction in the number of staff. This reduces the possibility for individual follow-up, counselling and guidance. The budget for ALMPs was reduced due to the economic crisis; in recent years however, the situation has improved: both ALMP funds (mainly through the ESF) and PES staff numbers increased. In 2016, CZK 6.8 billion was spent on ALMP as compared to CZK 2.5 billion in 2012.

An individual action plan was incorporated into the Employment Act in 2004 as a tool to increase the employability of the jobseeker on the labour market. Under the Employment Act effective until 31 December 2008, there was a possibility for the Labour Office to conclude an individual action plan for specific groups of jobseekers, including persons aged 50 and above. Since 2009, the Employment Act has included the obligation to draw up an individual action plan for every jobseeker registered for more than five months. Since 1 January 2012, the jobseeker can apply for an individual action plan at any time. The plans work as an activator during unemployment, increasing the co-responsibility of the unemployed.

Targeting workers most at risk of long-term joblessness

A person with long-term dependence on Assistance in Material Need (i.e. a person receives a subsistence allowance for more than six months), is entitled to the subsistence allowance of the basic income (CZK 2 200). Those who have a gainful activity are entitled to a minimum subsistence allowance (CZK 3 410). If the recipient of the subsistence allowance works in the public service at least 30 hours a month, the living allowance will be increased by CZK 605 (i.e. to CZK 4 015). The Ministry of Labour and Social Affairs (MLSA), together with Directorate General of the Labour Office of the Czech Republic, began to ensure proper implementation of the amendment in practice, through preparation of methodological materials, training of employees of the Labour Office, and incorporation of new modifications into the information system. The MLSA prepares the methodological materials for activation of people in material need through the PES.

As of 1 January 2012, community service assistance integrating the long-term unemployed, including older jobseekers, was transferred from municipalities to the PES. Unpaid community work could be performed up to 20 hours a week; the activity was continuously monitored and evaluated. This scheme is now ended.

Providing employment/hiring subsidies to firms

To encourage employers to hire older workers, a subsidised employment programme (“Jobs of Social Importance”) was introduced in 2004. This programme is based on an agreement between employers and labour offices and is aimed at older jobseekers who cannot find any other work. The labour office may pay an allowance for the creation of jobs for these people. The period of allowance entitlement was prolonged from six to twelve months. The measure is a standard tool of active employment policy and is therefore used constantly.

From 2004, an on-the-job training allowance may be paid by the labour office to an employer engaging an older jobseeker, who is provided with special support by that office. The allowance may be paid for three months and amount to up to half the minimum wage. This measure is no longer used because of low interest from employers.

In August 2009, in connection with the financial and economic crisis, the Czech Republic approved a law supporting employment through social insurance bonuses. This was introduced because non-wage labour costs in the Czech Republic are among the highest in the OECD area, and disproportionately affect unskilled older workers. The bonus was highest for those with the lowest wages; the highest wage qualifying for the bonus application was an income equal to 1.15 times the average wage. This measure was abolished in 2010 for budgetary reasons.

Providing in-work benefits to workers

No specific action relevant to older workers has been implemented.

Providing other active labour market policies

A project implemented between 2010 and 2012 called “Age Management Strategy in the Czech Republic” conducted research and comparative analysis on age management practices. One of the co-operation partners was the Finnish Institute of Occupational Health (FIOH). FIOH implemented training courses that were followed by a pilot testing of the “Work Ability” concept and verification of the questionnaire methodology of the “Work Ability Index” using a target group of unemployed people 50+. In the Czech context, the method was tested by the Employment Office of the Czech Republic (*Úřad práce ČR*), which came to the conclusion that this tool could help in particular the unemployed in the age bracket 50+ find a job more easily. What turns out to be highly useful is the elaboration of a methodological manual for employment offices, for training providers, and for other organisations that work with the target group. All project outputs were evaluated positively (Hála, 2012).

Job-search courses for unemployed jobseekers aged 50 and over were introduced in 2006 with the main aim of increasing motivation and activation during the job-search. The target group also includes older jobseekers with disabilities.

In line with implementation of the UN Convention on the Rights of Persons with Disabilities (2009), active employment policy tools have been implemented to motivate employers to employ this group of persons. The incentives for employers include receipt of financial support for the creation of new work positions for persons with disabilities, i.e. sheltered jobs and sheltered workshops; and the inclusion of persons with disabilities in the “open labour market.”

3.3. Enhancing job quality for older workers

Strengthening workplace safety and physical and mental health

The Czech Republic imposes standards regarding working conditions to protect employees, but more could be done. As an EU member, the Czech Republic has transposed EU legislation into national labour law. The country is additionally bound by other international conventions in this area, in particular those of the International Labour Organization.

Through its National Programme of Preparation for Ageing (2013-2017), the Czech Republic intends to raise companies' awareness of age management tools for creating better working conditions that help older workers stay in the labour market as long as possible. During the period 2013-2017 a number of courses, seminars and discussions on age management were organised, as well as pilot projects. However, the number of participants in these activities is low.

Reducing the incidence of arduous/hazardous work

No specific action relevant to older workers has been implemented.

Balancing professional and family responsibilities

On the basis of the report and recommendations of the Government Council for Older Persons and Population Ageing made between 2007 and 2011, the government adopted the Concept of the Development of Technologies and Services in Assisted Life for Older Persons. This may also positively affect incentives for older workers to take up or remain in employment, or help older workers with disabilities enter the labour market. One focus of the National Action Plan on Ageing 2013-2017 is facilitating the return to employment for persons older than 50 who care for relatives.

Table 1. Late Career Scoreboard, Czech Republic, 2006 and 2016

	Czech Republic		EU28 ^a		OECD ^a	
	2006	2016	2006	2016	2006	2016
Demographic situation						
-- Old-age dependency ratio ^b	0.22	0.30	0.28	0.32	0.23	0.28
-- Effective labour force exit age ^c (years) Men	61.6	62.5	62.0	63.4	63.6	65.1
Women	58.4	60.8	60.5	62.0	62.3	63.6
Employment						
-- Employment rate, 50-74 (% of the age group)	44.1	46.7	38.3	45.4	47.0	50.8
of which 50-54	83.5	89.1	73.1	77.9	73.8	75.7
55-64	45.2	58.5	43.3	55.3	52.7	59.2
65-69	8.5	12.2	9.1	12.1	20.3	25.5
70-74	3.4	5.4	4.4	5.5	12.0	14.6
-- Gender gap in employment, 55-64 ((men-women)/men)	0.46	0.28	0.34	0.21	0.32	0.25
Job characteristics						
-- Incidence of part-time work, 55-64 (% of total employment in the age group)	8.5	7.9	22.1	22.2	20.3	21.1
of which voluntary 55-64 (% of part-time work in the age group)	88.3	89.6	85.4	78.9	87.3	85.2
Average number of weekly hours worked	17.6	18.0	17.1	17.5	16.6	16.9
-- Incidence of temporary work, 55-64 (% of employees in the age group)	13.4	6.9	6.9	6.7	8.9	7.9
-- Incidence of self-employment, 55-64 (% of total employment in the age group)	18.0	20.4	24.1	19.7	38.0	32.8
-- Full-time earnings, ^d 55-64 relative to 25-54 (ratio)	1.02	0.98	-	-	1.09	1.10
Dynamics						
-- Retention rate ^e after 60 (% of employees t-5)	27.0	40.1	37.1	48.8	40.3	50.3
-- Hiring rate, ^f 55-64 (% of employees in the age group)	7.9	6.0	6.1	5.8	9.2	9.1
Joblessness						
-- Unemployment rate, 55-64 (% of the labour force aged 55-64)	5.3	3.8	6.1	6.4	4.3	4.6
-- Incidence of long-term ^g unemployment, 55-64 (% of total unemployment in the age group)	54.6	55.4	49.8	63.7	26.3	44.3
-- Marginally attached workers, ^h 55-64 (% of population in the age group)	1.9	0.6	2.4	1.9	1.2	1.2
Employability						
-- Share of 55-64 with tertiary education (% of population in the age group)	11.1	15.5	17.2	22.9	20.0	26.2
-- Participation in training, ⁱ 55-74 (% of employed in the age group)	3.3	6.8	-	8.5	-	-
Relative to employed persons aged 25-54 (ratio)	0.46	0.62	-	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) Mean gross monthly earnings. Mean earnings for age groups 25-54 and 55-64 were calculated as the unweighted average of five year age groups.

e) 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.

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

g) Unemployed for more than one year.

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

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 the Czech Republic, 2007 to mid-2017

1. Rewarding work and later retirement	
1.1. Enhancing incentives to continue working at an older age	
<i>Raising the statutory age of retirement</i>	+
<i>Facilitating phased retirement</i>	+
<i>Better combining of pensions and work income</i>	+
<i>Rewarding longer careers</i>	+
1.2. Towards restricted use of early retirement schemes	
<i>Restricting access to publicly funded early retirement schemes</i>	+
<i>Introducing specific provisions for arduous/hazardous work</i>	/
1.3. Preventing welfare benefits from being used as alternative pathways to early retirement	
<i>Unemployment (insurance and assistance) benefits</i>	/
<i>Social aid</i>	+
<i>Disability benefits</i>	+
2. Encouraging employers to retain and hire older workers	
2.1. Preventing discrimination in employment on the basis of age	
<i>Implementing current or new legislation</i>	+
<i>Launching public awareness campaigns</i>	/
2.2. Taking a balanced approach to employment protection by age	
<i>Implementing age-neutral measures</i>	+
2.3. Discouraging mandatory retirement by employers	
<i>By law in general and by sector/occupation, private/public sector, region</i>	□
2.4. Encouraging the social partners to implement better retention and hiring mechanisms targeted at older workers	
<i>For all older workers</i>	+
<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>Sharing knowledge and experience across different age groups</i>	+
<i>Adjusting the work responsibilities of older workers</i>	/
<i>Adjusting the working-time arrangements of older workers</i>	/
<i>Other issues such as internal job mobility, further training, workplace adjustment, age discrimination, mandatory retirement</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>Providing guidance services</i>	/
<i>Providing access to training adjusted to their experience and learning needs</i>	++
<i>Promoting lifelong learning and development of the adult vocational education and training system</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 in-work benefits to workers</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>	/
<i>Balancing professional and family responsibilities</i>	+
<p>++ = 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. ✓ = No action needed.</p> <p>Source: Assessment based mainly on answers by the Czech Republic to several OECD questionnaires.</p>	

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