

# **Active Ageing for Longer and Better Working Lives**

## **The Austrian Approach**

Riga, 1 October 2015

[sozialministerium.at](http://sozialministerium.at)

# Senior Citizen Policy

# Senior Citizen Policy



- Ensuring and enhancing high quality of life for older persons, reducing inequalities
- Financial protection at old age (pension security and long-term care)
- Equal and active participation in society and politics
- Active ageing as substantial task of a modern social policy
- Examples of projects by the Social Ministry:
  - Senior-friendly Municipalities
  - Manual on projects for senior citizens
  - Internet guidelines, information and hints for seniors
  - Health education and promotion at old age

# Federal Senior Citizens Act



- **Federal Senior Citizens Advisory Board**
  - Active control mechanism representing the interests of the older generation vis-à-vis political decision-makers
  - Making policy proposals and statements on draft bills
  - Drawing up a long-term **Senior Citizens' Plan** (incl. package of measures, financing and implementation)
- **Federal Senior Citizens Council**
  - Legal non-party body representing interests of more than 2.3 million senior citizens
  - Delegates in relevant bodies (e.g. social insurance institutions, pension reform commission)
- **General promotion of senior citizens** to finance advice, information and support (1 Euro per person – approx. € 2.3 million)

# Awareness-raising ...



- **UNECE Conference** "Ensuring a society for all ages: promoting quality of life and active ageing" at ministerial level (2012)
- Combatting **violence against older persons**: conference, folders, research and counselling projects
- **fit2work** recurring media campaign
- **Employment Initiative 50+** campaign launched end of 2014#
- **Work & Age**: Social Partner platform on age-friendly work organisation in order to ... productivity of older employees  
[www.arbeitundalter.at](http://www.arbeitundalter.at)
- **Nestor<sup>GOLD</sup>**: seal of quality for employers supporting age-friendly work environments and having undergone a certification process  
[www.nestorgold.at](http://www.nestorgold.at)

# Labour Market Situation

# The Austrian Labour Market in 2014

## Key Labour Market Data 2014 (yearly average)

		Change to previous year	
		total	%
Labour force potential	3,822,758	+ 52,556	+ 1.4 %
Persons in dependent employment	3.503,400	+ 20,405	+ 0.6 %
Employment rate (Eurostat)	71.1%		
Registered unemployed	319,358	+ 32,151	+ 11.2 %
Registered unemployed 50+	81,663	+ 12,436	+ 18.0%
Registered job openings	26,320	- 63	- 0.2 %
Unemployed per job opening	12.1	+ 0.7	
Unemployment rate (Eurostat)	5.6 %	0.0	
Average duration of unemployment	104 days	+ 7	

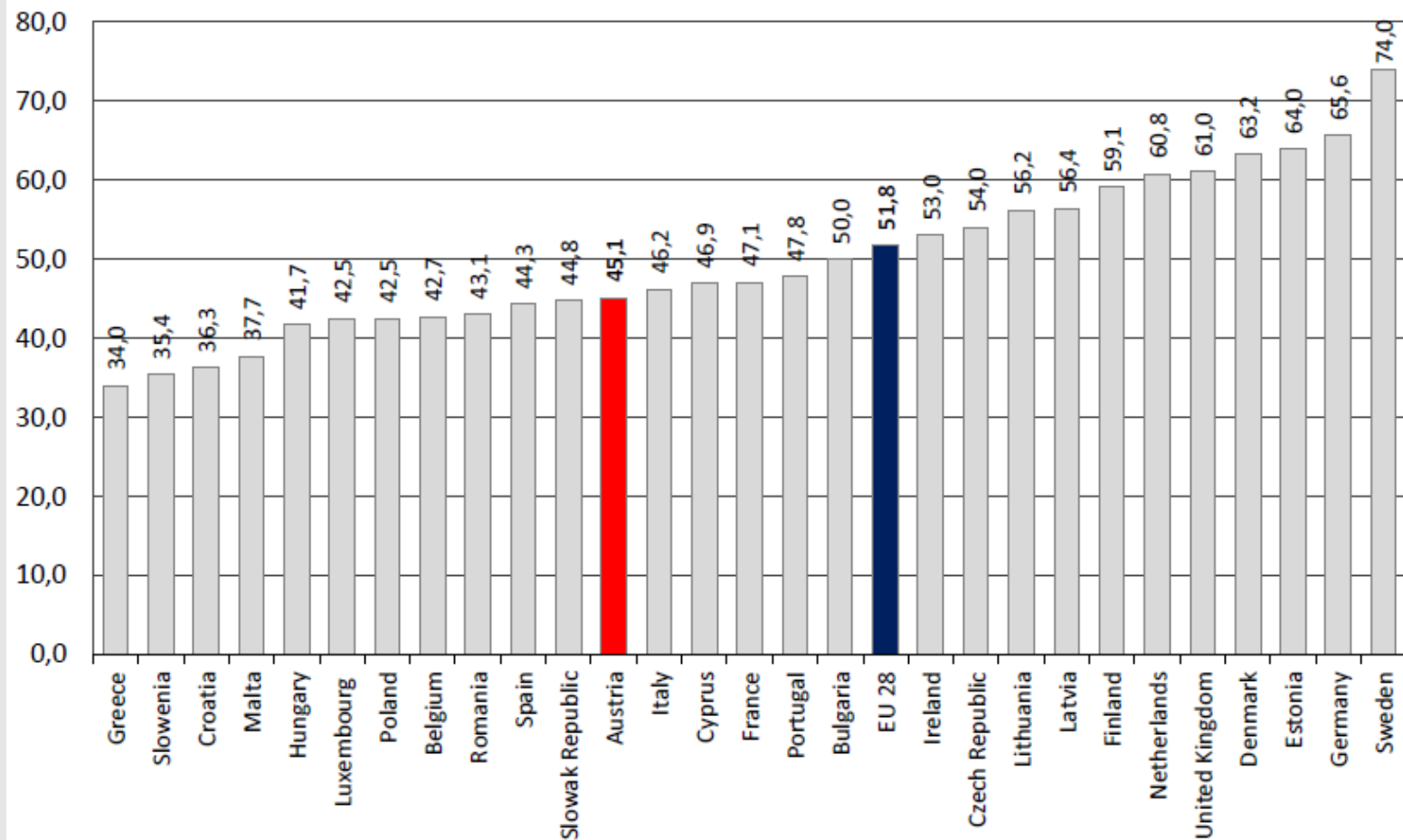
# Labour Market Situation for Older Workers



- **Starting position:** stable employment relationships of older persons, but once unemployed – longer spells and harder re-integration
- Overall **rise of labour supply** with over-proportional increase of workforce 50+ (reasons: demographic trend, expanding participation)
- **Employment of workers 50+** up by 75% since 2000
- **Changing age structure** of labour force requires better use of existing potential, especially of older persons
- Currently increasing employment *and* unemployment ...



# Employment Rates 55-64 in European Comparison (2014)



# Government Programme 2013-2018



## Raising the employment of older workers

- Increasing participation in **lifelong learning** esp. of older employees
- Reinforced **information and awareness**-raising on employment of older workers
- Strengthened **labour market integration** of persons 50+
- **Evaluation and further development of PES instruments** for older workers, of fit2work programme and the reform of invalidity pension
- **Reintegration into the workplace** after long periods of sick-leave

# Government Programme 2013-2018



## Raising the effective retirement age

- Consequent implementation of the principle “**Prevention, rehabilitation and job integration rather than retirement**”
- **Stronger incentives to work longer** than the earliest pensionable age and thus to defer pension payments  
(bonus of 5.1% per year, no more pension insurance contributions)
- Bi-annual **pension and employment monitoring** (from July 2014) and counteractive measures in case of deviation from the targets
- Introduction of a **partial pension scheme** as of January 2016  
(similar to old-age part-time, instead of early retirement)

# Active Labour Market Policy

# Focus of Labour Market Policy in 2015



- **Integration into employment of older workers**
- High-quality course offer
- Enhanced training for skilled labour
- Increased funds for short-term work
- Increased funds for women-specific programmes
- Training guarantee and „Production Schools“ for young people
- Preparations for training obligation up to the age of 18

# Labour Market Policy for Older Workers



- **Employment Initiative 50+**

- Increased financing 2014-2017: overall **additional funds of € 720 million**
- for **integration subsidies** (“Mature Performance” programme)
- and temporary employment in **social enterprises**
- Plus 50,000 beneficiaries and 20,000 permanent jobs annually

- **Further PES offers for the target group 50+**

- Institutions offering tailored counselling and support measures
- Qualification measures (e.g. “New Skills”, training on/near the job)
- Consulting services for enterprises (e.g. on productive ageing)

# Employment Initiative 50+

*Using know-how – targeted support – creating chances – bearing social responsibility*



# Socio-economic enterprises (SÖB) and non-profit employment projects (GBP)



- Institutions of the “**subsidised intermediate labour market**”
- Offer: **intermediate employment** including targeted skills training measures and socio-pedagogic support aiming at a sustainable (re-)integration of unemployed with special employment handicaps into the mainstream labour market
- **Duration**: fixed-term contract up to 12 months (average: 3-5 months)
- **Subsidies** for long-term unemployed transit workers and part of labour costs for key personnel
- Originally experimental LMP in 1980s, for several years now complemented by non-profit temporary work
- **2014**: approx. 41,500 participants (+7%)



# Integration Subsidies



- **Wage subsidy** to employers on the mainstream labour market facilitating (re-)inclusion of vulnerable groups
- **Target group:** long-term unemployed (more than 12 months resp. 6 months for persons aged under 25), persons in danger of becoming long-term unemployed, young (under 25) and older (over 45), health-impaired persons, returners to work
- **Subsidy level:** up to 2/3 of the wage and non-wage labour costs
- **Duration:** for the duration of the employment relationship, up to 3 years (average: 3 months)
- **2014:** approx. 46,300 subsidies (+6%), of which 14,400 over 50

# Examples of Education & Training Programmes



- **Systematic Competences (KmS)**
  - Modular training concept in several apprenticeship trades for persons frequently affected by unemployment
- **Aufstieg**
  - Up-skilling offers for non-/semi-skilled unemployed with health impairments
- **New Skills**
  - Compact modular second-chance qualification for (semi-)skilled workers with outdated/obsolete skills

# Old-age Part-time Model

- **Aim:** keeping older worker in employment, later effective retirement
- **Reduction of working time** by 40 - 60 %
- **Duration:** max. 5 years (starting max. 7 years before legal pensionable age)
- **Wage compensation** for older workers of at least 50% of the loss of income (+ social insurance contributions at original level)
- **Old-age part-time grant** to employers – refunding part of the expenditure by PES
  - 90% in continuous scheme
  - 50% in block-time scheme (+ employing replacement)

# LMP for Health-Impaired Persons



- **Aim:** keeping people in employment longer, avoiding health-induced retirement
- **Work-and-Health Act** (in force since 2011) to raise awareness on health (promotion) in the world of work
  - **fit2work** information and support programme (secondary prevention)
- **IP Neu: 2014 reform of invalidity pension** system for people aged under 50
  - **Medical and professional rehabilitation** (+ new benefits)
  - **Reintegration into the labour market** by high-quality and future-oriented re-training in health-friendlier professions or occupations

**fit2work:** advice and support in case of health problems at the workplace – voluntary, confidential and free of charge



Ich bin  
wieder  
fit2work

Gesundheit erhalten.  
Job behalten!

Beratung ist  
✓ freiwillig  
✓ vertraulich  
✓ kostenlos

## Summing up ...

- **Early awareness-raising** for the topic „Work and Health“, preventive approaches and „rehabilitation rather than retirement“
- **Enabling people** with professional skills to work longer healthily and giving them **work perspectives** up to the pensionable age
- Creating **age-friendly working environments** and facilitating re-integration after sickness absence
- **Stronger incentives for companies** to (go on) employ(ing) older workers

**Thank you for your attention!**