## 13.2% OF OLD-AGE PENSIONERS CONTINUE TO WORK AFTER RETIREMENT

According to the results of the 2023 module of the Labour Force Survey on Pensions and Labour Market Participation[1], around 1,147 thousand people (33.4% of the total number of residents aged 50 to 74) received an old-age pension. The proportions of beneficiaries of old-age pensions in the Autonomous Regions of the Açores (26.3%) and Madeira (25.8%) were significantly lower than the result of 33.7% in the Mainland.

The majority of old-age pensioners (57.5%) reported that they had stopped working when they received their first old-age pension, and 29.3% were no longer working at that time, but 13.2% continued to work when they received their first pension.

Old-age pensioners who continued to work after receiving their first pension did so mainly out of financial necessity (46.5%), the will to remain productive (30.8%) and the need to remain socially integrated (10.9%).

Almost all (98.0%) of old-age pensioners in 2023 received a statutory pension, i.e. paid by a national or foreign public social protection scheme, which, in the national case and depending on the pensioner's professional activity, includes Social Security and the *Caixa Geral de Aposentações*.

The majority of beneficiaries of a statutory old-age pension (56.8%) received their first old-age pension without any bonus or penalty, while 38.5% left the labour market before securing the right to a full pension, having therefore received a pension with a penalty (reduction in value), and 4.7% benefited from a value bonus for having postponed the age of receipt of the first old-age pension.

91.4% of the population aged 50 to 74 years old not receiving an old-age pension in 2023 reported being entitled in the future to at least one pension from a public pension scheme to guarantee protection in old age, with 78.0% reporting being only entitled to a pension from Social Security or Caixa Geral de Aposentações, and 13.5% to a combination of one of these pensions with an occupational and/or personal pension.

In 2023, around 184 thousand people received a disability pension (5.3% of the total number of residents aged 50 to 74).

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[1] The implementation of the Labour Force Survey module on "Pensions and labour market participation" in 2023 was co-funded by the European Union.
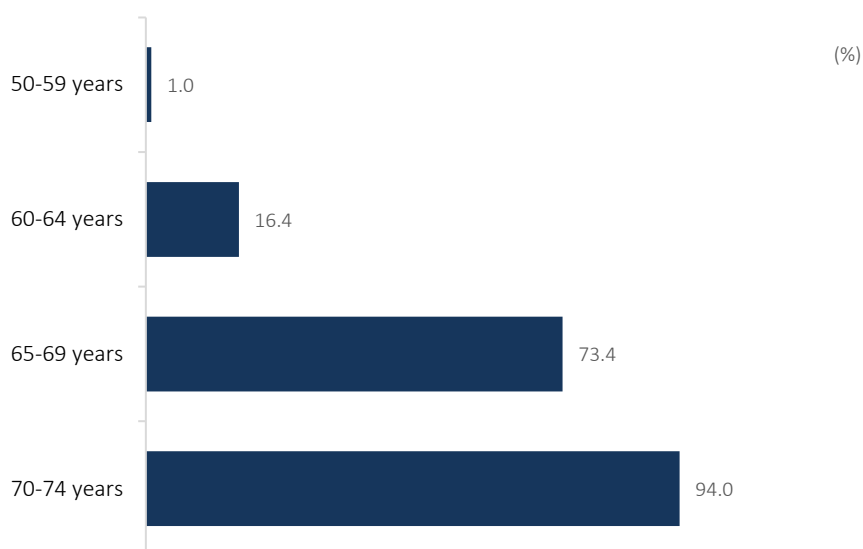
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More than half of old-age pensioners aged up to 69

According to the results of the module of the Labour Force Survey on Pensions and participation in the labour market, the population aged 50 to 74 living in Portugal who received an old-age pension in 2023 totalised approximately 1,147 thousand people (33.4% of the total number of residents aged 50 to 74). Of the total number of persons receiving an old-age pension in that year, 10.5% were employed (about 121 thousand persons).

Considering the same age group, the proportions of beneficiaries of old-age pensions in the Autonomous Regions, − 26.3% in the Azores and 25.8% in Madeira−,  were significantly lower than 33.7% in the Mainland.

Influenced by the legal retirement age, it is from the age of 65 that the proportion of old-age pensioners is higher: 73.4% for those aged 65 to 69, and 94.0% for those aged 70 to 74. Before the age of 65, only 1.0% of the population aged 50 to 59, with an average age of 54, and 16.4% of the population aged 60 to 64, with an average age of 62, reported receiving an old-age pension.

Figure 1. **Proportion of old-age pensioners by age group, Portugal, 2023**
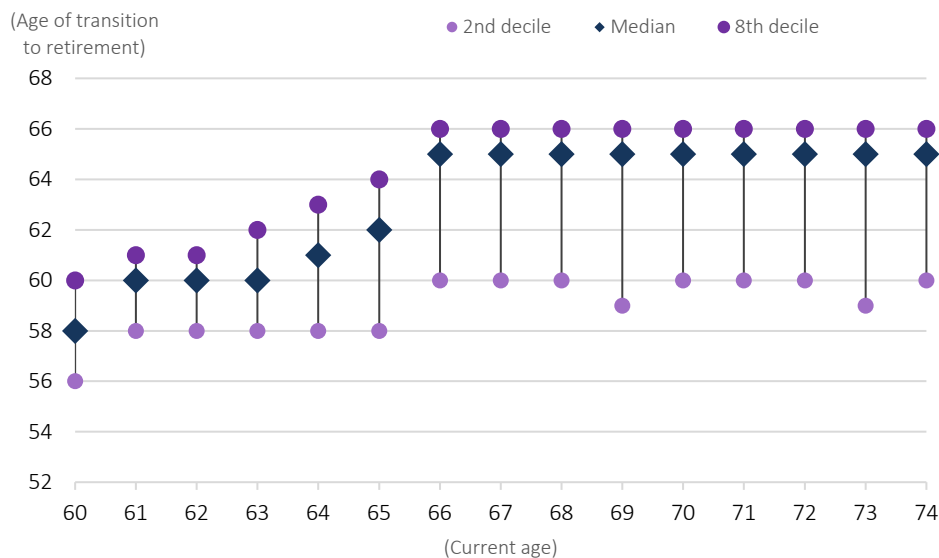


**Source:** Statistics Portugal, Labour Force Survey, module on Pensions and labour market participation 2023.

Considering only old-age pensioners aged at least 60 at the time of the survey, two specific groups are identified for the relationship between the age of transition to retirement and current age cohorts:

– One group consisting of the cohorts of pensioners aged 60 to 65 in 2023, characterised by increasing transition ages to retirement;

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−   A second group made up of pensioners over the age of 65 where, regardless of age cohort, the median age of transition to retirement is 65 and the 8th decile, very close to it, is 66, confirming that most beneficiaries choose to retire when they approach the legal retirement age.
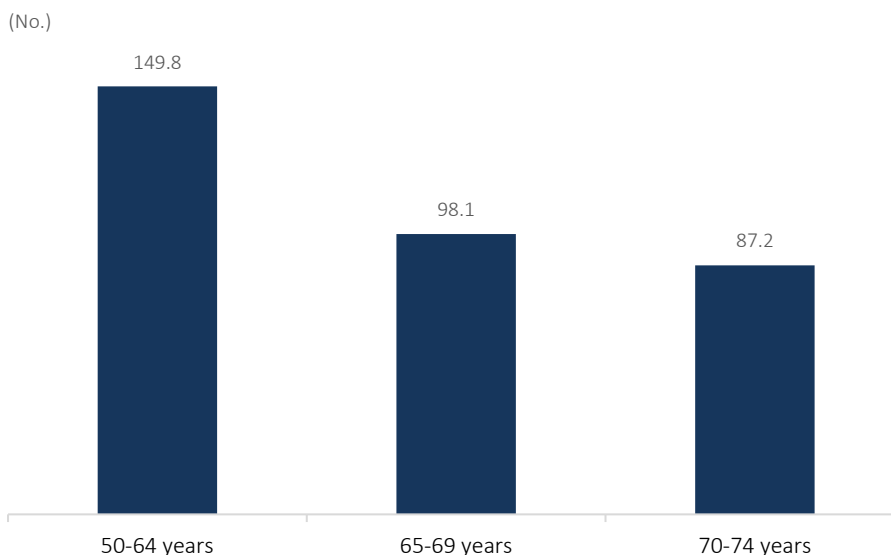
Figure 2. **Age of transition to retirement and current age, Portugal, 2023**



**Source:** Statistics Portugal, Labour Force Survey, module on Pensions and labour market participation 2023.

The percentage distribution of old-age pensioners by sex and age group is not uniform either. While there were 149.8 male pensioners for every 100 female pensioners from 50 to 64 years old in 2023, the ratio changed from the age of 65, with 98.1 men for every 100 women between the ages of 65 and 69 and 87.2 men for every 100 women between the ages of 70 and 74.

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Figure 3. **Sex ratio of old-age pensioners by age group, Portugal, 2023**

(No.)



**Source:** Statistics Portugal, Labour Force Survey, module on Pensions and labour market participation 2023.
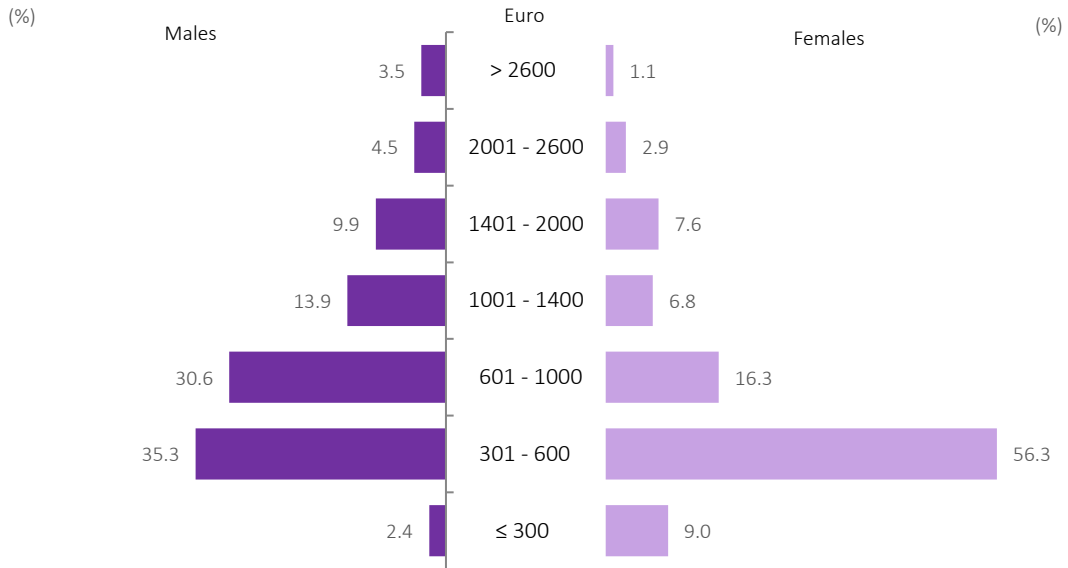
Being a man and having completed tertiary education is associated with higher value old age pensions

The results of the module also indicate that approximately 70% of old-age pensioners in Portugal receive pensions of up to €1,000. Of these, most receive pensions of no more than €600.

This condition is particularly recognised in the case of women (Figure 4), where 9.0% receive up to €300 per month and 56.3% between €600 and €1,000, which, especially in the first case, contributes to a higher risk of poverty (17.7% in 2022, 1.5 pp more than for men).
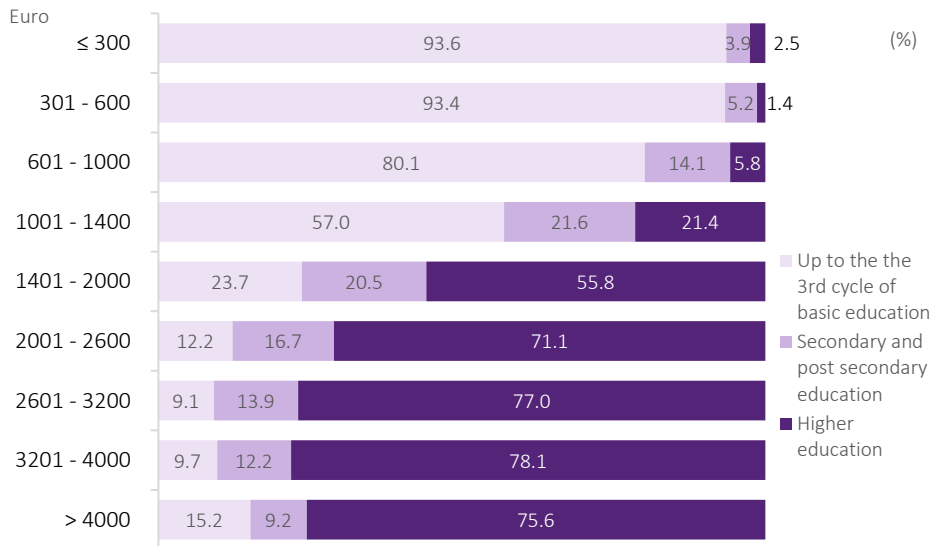
By level of education (Figure 5), the results show the predominance of pensioners who have completed tertiary education among those who receive a monthly pension of more than €1,400: 55.8% for pensions between €1,400 and €2,000, and more than 70% for pensions above €2,000.

Figure 4. **Distribution of the number of old-age pensioners by old-age pension value classes and sex, Portugal, 2023**



| (%) Males | Euro | Females (%) |
|---|---|---|
| 3.5 | > 2600 | 1.1 |
| 4.5 | 2001 - 2600 | 2.9 |
| 9.9 | 1401 - 2000 | 7.6 |
| 13.9 | 1001 - 1400 | 6.8 |
| 30.6 | 601 - 1000 | 16.3 |
| 35.3 | 301 - 600 | 56.3 |
| 2.4 | ≤ 300 | 9.0 |

**Source:** Statistics Portugal, Labour Force Survey, module on Pensions and labour market participation 2023.

Figure 5. **Distribution of the number of old-age pensioners by old-age pension value classes and level of education, Portugal, 2023**



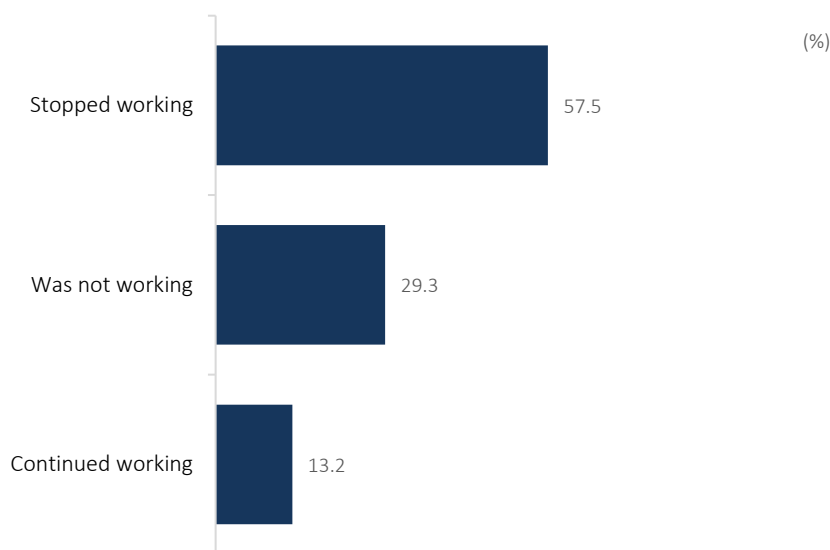| Euro | Up to the the 3rd cycle of basic education | Secondary and post secondary education | Higher education | (%) |
|---|---|---|---|---|
| ≤ 300 | 93.6 | 3.9 | 2.5 | |
| 301 - 600 | 93.4 | 5.2 | 1.4 | |
| 601 - 1000 | 80.1 | 14.1 | 5.8 | |
| 1001 - 1400 | 57.0 | 21.6 | 21.4 | |
| 1401 - 2000 | 23.7 | 20.5 | 55.8 | |
| 2001 - 2600 | 12.2 | 16.7 | 71.1 | |
| 2601 - 3200 | 9.1 | 13.9 | 77.0 | |
| 3201 - 4000 | 9.7 | 12.2 | 78.1 | |
| > 4000 | 15.2 | 9.2 | 75.6 | |

**Source:** Statistics Portugal, Labour Force Survey, module on Pensions and labour market participation 2023

13.2% of old-age pensioners chose to continue working after receiving their old-age pension

Most old-age pensioners (57.5%) indicated that they had stopped working when they received their first old-age pension; 29.3% were no longer working at that time and 13.2% continued to work when they received their first pension.
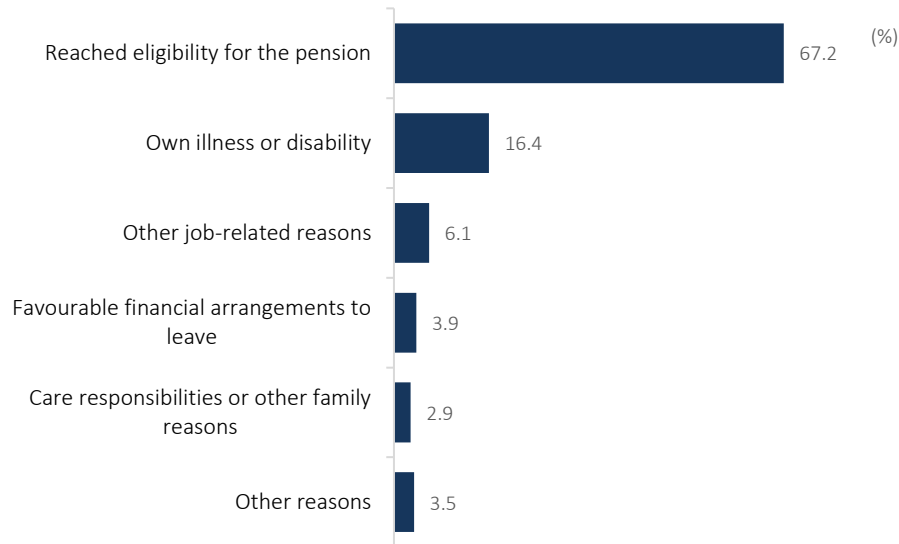
Figure 6. **Situation at time of transition to retirement, Portugal, 2023**



(%)

| Category | Value |
|---|---|
| Stopped working | 57.5 |
| Was not working | 29.3 |
| Continued working | 13.2 |

**Source:** Statistics Portugal, Labour Force Survey, module on Pensions and labour market participation 2023

For those who stopped working after receiving their first pension, 67.2% reported having mainly taken into account that they had reached the eligibility or age for access to the old-age pension, and 16.4% reported the existence of health problems or disability.
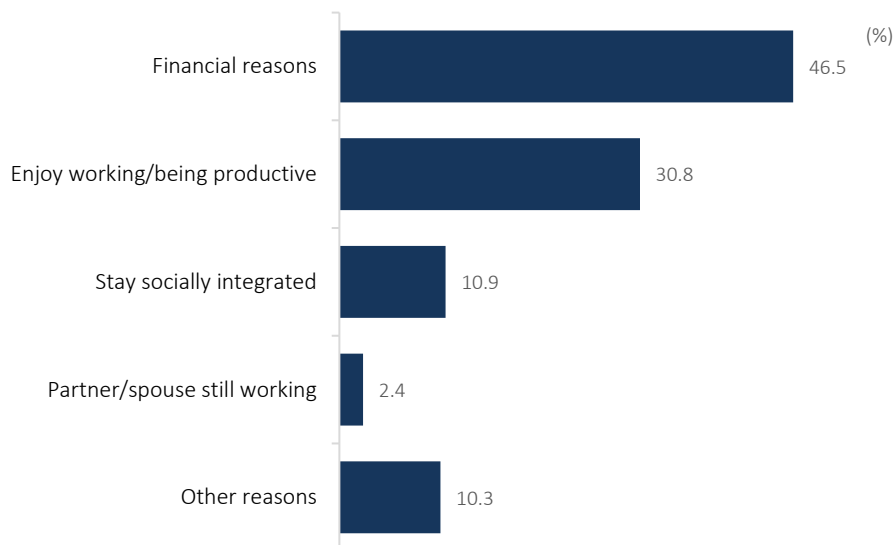
Figure 7. **Main reason to stop working at time of transition to retirement, Portugal 2023**



| | (%) |
|---|---|
| Reached eligibility for the pension | 67.2 |
| Own illness or disability | 16.4 |
| Other job-related reasons | 6.1 |
| Favourable financial arrangements to leave | 3.9 |
| Care responsibilities or other family reasons | 2.9 |
| Other reasons | 3.5 |

**Source:** Statistics Portugal, Labour Force Survey, module on Pensions and labour market participation 2023

Old-age pensioners who continued to work after receiving their first pension did so mainly out of financial necessity (46.5%), the will to remain productive (30.8%) and the need to remain socially integrated (10.9%).

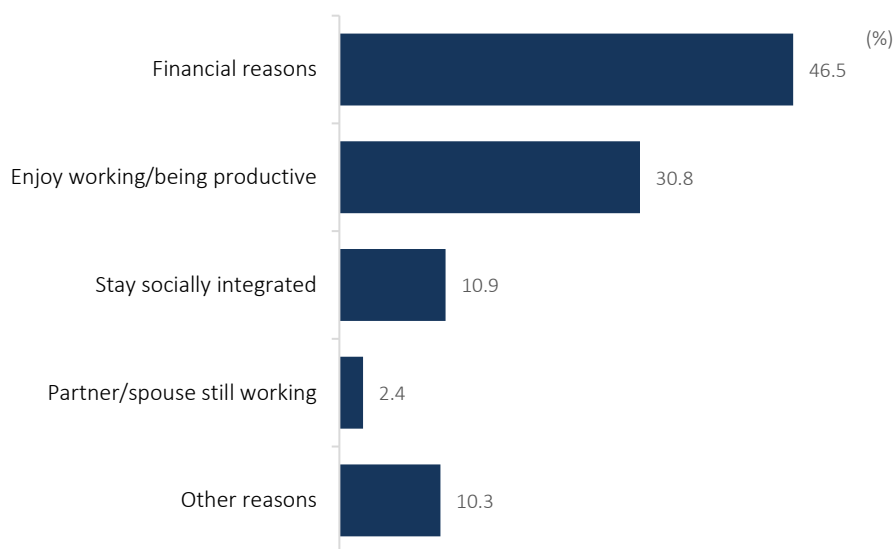Figure 8. **Main reason to continue working after receiving old-age pension, Portugal, 2023**



| | (%) |
|---|---|
| Financial reasons | 46.5 |
| Enjoy working/being productive | 30.8 |
| Stay socially integrated | 10.9 |
| Partner/spouse still working | 2.4 |
| Other reasons | 10.3 |

**Source:** Statistics Portugal, Labour Force Survey, module on Pensions and labour market participation 2023

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**Almost all old-age pensioners receive a statutory pension**

In 2023, almost all (98.0%) of old-age pensioners received a statutory pension, i.e. paid by a national or foreign public social protection scheme, which, in the national case and depending on the pensioner's professional activity, includes Social Security and *Caixa Geral de Aposentações*: 90.5% of old-age pensioners received only a pension from a public scheme, 5.3% accumulated that income with a pension paid by a private system related to their professional activity, 1.6% with an individual voluntary retirement plan and 0.6% with both types of benefits from private schemes.

By region, the proportions were identical in the Mainland and the Região Autónoma da Madeira (98.0%), but slightly lower in the Região Autónoma dos Açores (96.9%).

Figure 9. **Distribution of old-age pensioners by type of old-age pension, Portugal, 2023**
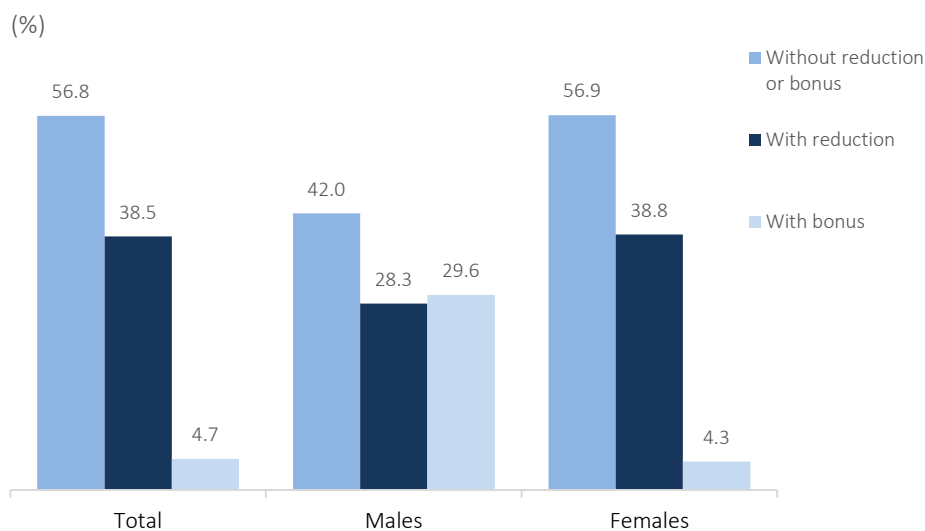


Source: Statistics Portugal, Labour Force Survey, module on Pensions and labour market participation 2023

Most statutory old-age pension beneficiaries (56.8%) received their first old-age pension without any bonus or penalty, while 38.5% left the labour market before securing the right to a full pension, having therefore received a pension with a penalty (reduction in value), and 4.7% benefited from an amount bonus for having postponed the age of receipt of the first old-age pension.

Of the group of pensioners who reported having received their first pension with a reduction in value due to anticipation of the retirement age, the majority were women, unlike pensioners who received a bonus in the amount of the pension in which the majority were men.

Figure 10. **Distribution of statutory pension beneficiaries by sex and condition of receipt of pension, Portugal, 2023**
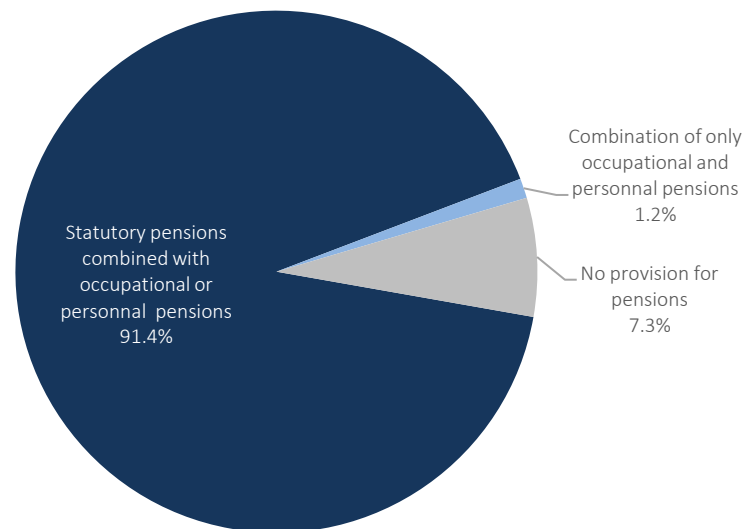


**Source:** Statistics Portugal, Labour Force Survey, module on Pensions and labour market participation 2023

More than 90% of non-pensioners report contributing to ensuring entitlement to a statutory old-age pension in the future

91.4% of the population aged 50 to 74 who did not receive an old-age pension in 2023 reported being entitled in the future to at least one pension from the public pension system to guarantee protection in old age, and 78.0% reported being entitled to only one pension from Social Security or *Caixa Geral de Aposentações*,  and 13.5% to a combination of one of these pensions with an occupational or personal pension; 1.2% reported having only an occupational or personal pension as a future guarantee in old age; 7.3% of respondents reported not making any provision for old age.

Figure 11. **Distribution of non-beneficiaries of old-age pension by type of pension expected in the future, Portugal, 2023**



Statutory pensions combined with occupational or personnal pensions
91.4%

Combination of only occupational and personnal pensions
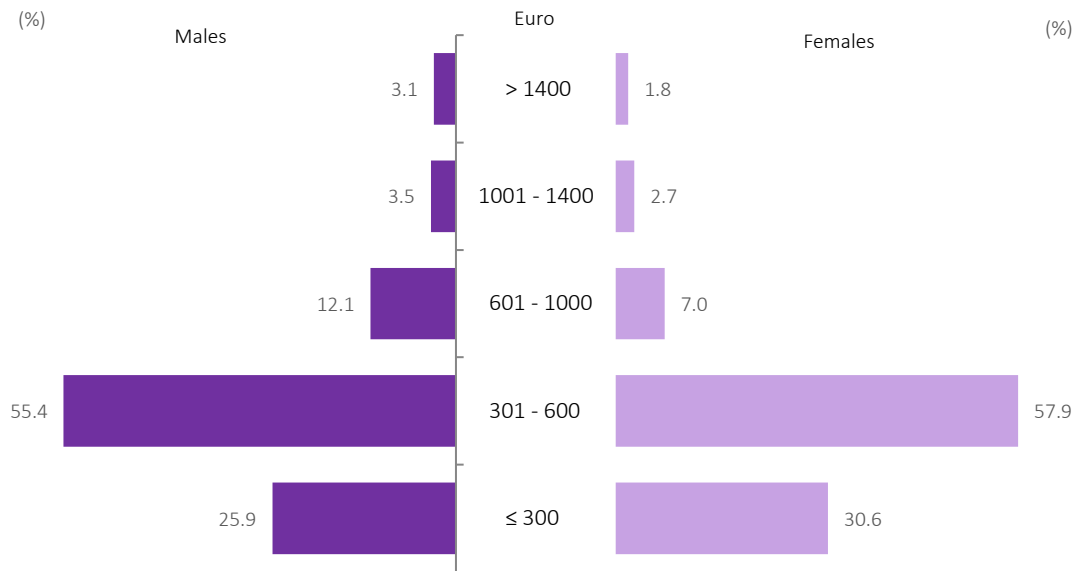1.2%

No provision for pensions
7.3%

**Source:** Statistics Portugal, Labour Force Survey, module on Pensions and labour market participation 2023

Most disability pensioners receive between €301 and €600 per month

The module of the Labour Force Survey on Pensions and labour market participation carried out in 2023 also collected data on the protection of the population aged 50 to 74 residing in Portugal in the event of disability, which shows that approximately 184 thousand people received a disability pension in 2023 (5.3% of the total number of residents aged 50 to 74). The average age of these pensioners at the time of their first disability pension was 49 years.

The results of the module indicate that most disability pensioners in Portugal receive pensions with a monthly value between €301 and €600, and that, as in the case of old-age pensions, women are relatively more affected by low-value pensions than men.

Figure 12. **Distribution of the number of disability pensioners by disability pension value classes and sex, Portugal, 2023**



| (%) Males | Euro | Females (%) |
|---|---|---|
| 3.1 | > 1400 | 1.8 |
| 3.5 | 1001 - 1400 | 2.7 |
| 12.1 | 601 - 1000 | 7.0 |
| 55.4 | 301 - 600 | 57.9 |
| 25.9 | ≤ 300 | 30.6 |

**Source:** Statistics Portugal, Labour Force Survey, module on Pensions and labour market participation 2023

METHODOLOGICAL NOTE

LABOUR FORCE SURVEY

The main purpose of the Labour Force Survey is to classify the population in terms of their participation in the labour market. It is a quarterly sample survey, addressed to all persons living in the national territory.

The LFS sample is divided into six subsamples (rotations/waves), and in each quarter a subsample is replaced by a new one (selected under the same design) after being observed for six consecutive quarters. This rotation design introduces a longitudinal component, thus allowing the follow-up of persons who remain in the sample for a maximum period of one and a half year.

The information is obtained directly, through computer-assisted interview by using a mixed data collection mode: the initial interview is done face-to-face by an interviewer visiting the household and the other five interviews are done by telephone if certain requirements are met.

Most of the characteristics observed in this survey report to the situation in one pre-defined week (from Monday to Sunday), known as reference week. The reference weeks are uniformly distributed throughout the quarters and years. The interviews usually take place in the week following the reference week.

The weighting factors of persons in the subsample wave approach are adjusted to ensure their consistency with the weighting factors for the annual averages obtained from the complete sample at labour status level (employed, unemployed and inactive population), sex (male, female) and age groups (16-24, 25-34, 35-44, 45-54, 55-64), type of the employees' employment contract (permanent job, temporary job, other contractual arrangements) and work duration regime (full-time, part-time).

For more detailed information, it is suggested to consult the methodological document of the Employment Survey, available (only in Portuguese) on Statistics Portugal website.

AD HOC AND REGULAR LABOUR FORCE SURVEY MODULES

The Labour Force Survey (LFS) annual modules are thematic surveys, of small dimension, on issues considered of interest for the characterisation of the labour market and are intended to supplement the information gathered from the core questionnaire of the LFS. The questions of these surveys are meant primarily to obtain more detailed information on a specific topic that will be used to define and/or monitor specifically European policy initiatives. Due to this goal, these modules are held every year and some of the topics covered are repeated cyclically, depending on the needs and interest of the topic under analysis.

With the entry into force of the Integrated European Social Statistics (IESS) Framework Regulation, six topics were introduced to be collected regularly every eight years, interspersed with ad hoc topics (single collection) collected every four years.

The 2023 regular module of the Labour Force Survey on "Pensions and participation in the labour market" is part of the first set of modules and was carried out with co-funding from the European Union.

The module was aimed at the population aged 50 to 74 living in dwellings belonging to the IE - Series 2021 entry and exit rotations for each quarter of 2023. The specific weights of the people responding to the module were calculated to ensure consistency with the estimates of the annual averages of the complete sample for the age group of the module's target population.

For more detailed information on the methodological aspects of this statistical operation, please consult its methodological document, available at Statistics Portugal website (only in Portuguese).

Attached to this Press Release, an Excel file with a set of result tables is also published. An anonymized microdata base will soon be available to accredited researchers for scientific research purposes.

## CONCEPTS

**Complete education level:** Higher level of education that has been successfully completed, or for which equivalence has been obtained, and which confers a certificate or diploma.

**Disability pension:** A monthly cash benefit intended to maintain or supplement the income of beneficiaries under the legal/standard retirement age, as established in the reference scheme, and suffering from a disability that reduces their ability to work or earn an income above a level established by the legislation in force.

**Personal pension:** A pension provided by a voluntary retirement plan in which the person's own contributions are invested in an individual account managed by financial institutions, insurance companies or investment and pension funds. A PPR (Retirement Savings Plan) can take the form of an individual pension plan as long as it is based on a voluntary contract between the individual saver and the financial organisation, with the explicit aim of retirement, and provides a periodic benefit in retirement.

**Legal age of retirement:** Age at which one becomes entitled to payment of the old-age pension, if established by law or by contract. This age may vary depending on the sector of activity, occupation, gender, among others. If there is no legal retirement age, the standard retirement age should be used, i.e. the one provided for in the reference scheme that pays the beneficiary's pension.

**Occupational pension:** Pension provided by a private system related to professional activity or labour market relationship, and may be based on national legislation, labour contracts or collective agreements. It is managed directly by the employer, by pension fund management companies or insurance companies, and the funding comes from social contributions from the employer, the person in work or both.

**Old-age pension:** Monthly cash benefit intended to maintain the income of the beneficiary after retirement from gainful employment at the legal/standard age or support the income of elderly persons.

**Statutory pension:** Pension provided by the public scheme related to the beneficiary's professional activity, the financing of which comes largely from social contributions from the employer or the person while in work.