

**PRESS RELEASE****No. 288, of December 5, 2012****Transition from work into retirement**

*Labour Force Survey ad hoc module - the second quarter of 2012
addressed to persons aged 15-69 years*

*For a correct interpretation of results, please see the
Methodological notes on page 5 of this Press Release*

Little over half (51.7%) among persons aged 50-69 years, in the target population of the survey, benefited of pension.

Out of the total number of pensioners included in the survey coverage, only 20.9% were still working. The overwhelming majority (97.0%) of employed pensioners worked in agricultural sector; 98.5% worked as self-employed or contributing family worker; 90.5% declared that they are still working to ensure enough incomes for the household in which they are part.

Almost two fifths (38.1%) of pensioners who had ceased their professional activity chose to do so once they fulfilled the conditions for retirement. For 29.9% of pensioners withdrawn from the labour market, the most important reason for the professional activity ceasing was the existence of health problems.

Out of persons who does not benefit of pension, 85.4% already contributed to a pension's fund, public or private, meaning they might receive a pension in the future, after they will fulfill the conditions regarding age and contribution period of time.

In the second quarter of 2012, 3835 thousand persons aged 50-69 years who were working or have worked after the age of 50 were in the target population of the survey "Transition from work into retirement"¹.

Beneficiaries of individual pension benefits

1982² thousands persons, representing little over half (51.7%) among persons in the target population of this survey ***beneficiated of pension***.

There were considered "pensioners" all the persons benefiting of:

- *pension for age limit;*
- *anticipated pension;*
- *partial anticipated pension ;*
- *disability pension;*
- *survivor pension,*

no matter which pension system was providing the benefit:

- *pension systems included in the 1st Pillar (public system, other systems not included in the public one: of M.A.P.N, M.A.I., S.R.I., of religious organizations, layer's)*
- *private system of pensions - 3rd Pillar (there were also included in this category annuities received/ payable from investment funds or insurance companies following a*

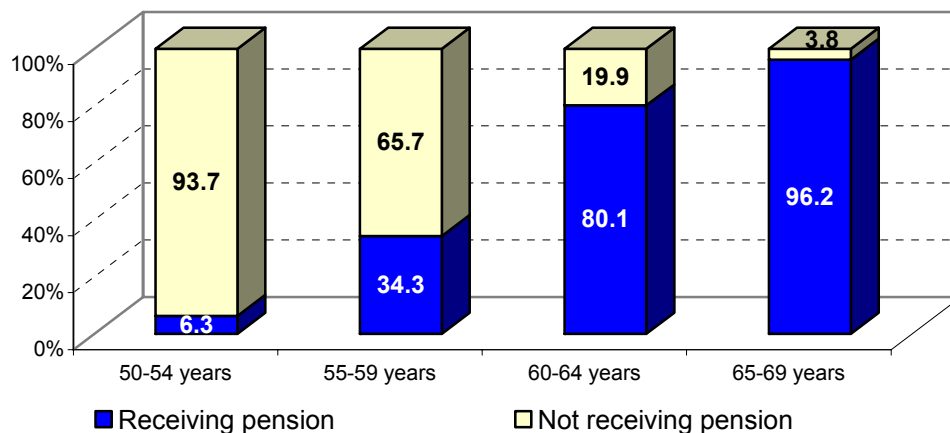
¹ *There were not included in the target population of the survey: persons who were younger than 50 years, those older than 69 years as well as those who ceased work before the age of 50 years*

² *There are not included in this number, pensioners younger than 50 years or older than 69 year as well as those who ceased work before the age of 50.*

contributions made under contracts concluded before the Law 204/2006 enter into force).

Out of the 1982 thousand pensioners, more than three quarters (78.4%) were aged 60-69 years, 55.3% were women and 57.2% lived in urban area.

Fig.1 – Share of population receiving pension by age groups



Beneficiaries of old-age pension

Out of the total number of pensioners included in the survey coverage, **1681 thousand** (84.8%) **beneficiated of old age pension**.

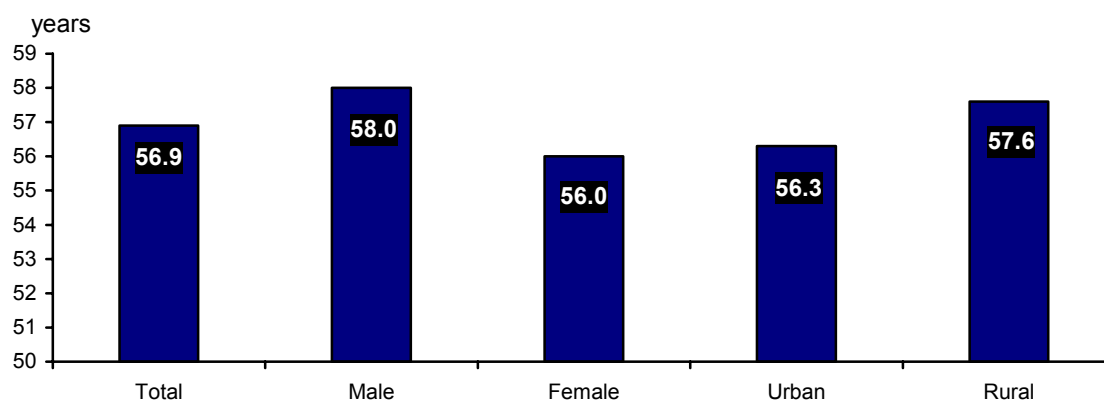
In this category are included, beside persons benefiting of pension for age limit, anticipated or partial anticipated pension – within the 1st Pillar of pensions, a small number of persons receiving private pensions within the 3rd Pillar.

Out of the total number of old age pensioners, **21.5% beneficiate in present or have been beneficiated in the past of one type of early retirement**.

This category includes actually beneficiaries of anticipated pension or partial anticipated pension as well as pensioners actually receiving pension for age limit, who previously have been beneficiated of anticipated/ partial anticipated pension or of invalidity pension.

The average age at the retirement date, computed for the persons who have been the subjects of survey, **was of 56.9 years**, higher in the case of men (58.0 years) than the women's (56.0 years), as well as in the case of persons from rural area (57.6 years as against 56.3 years in the case of persons from urban area).

Fig.2 – Average age of retirement by sex and urban/ rural area



Beneficiaries of other categories of pensions

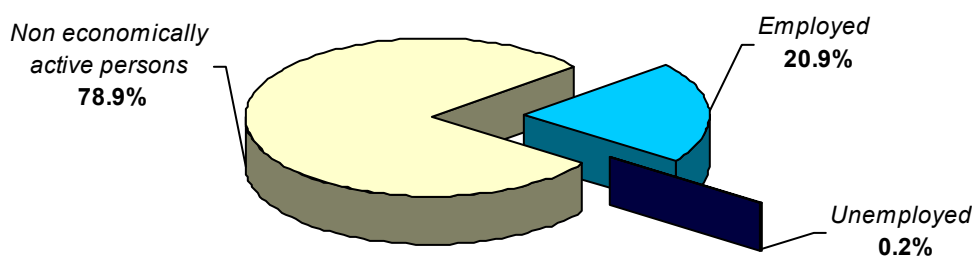
301 thousands persons, representing 15,2% of the total number of pensioners, **beneficiated of other categories of pensions than those of age disability pension or survivor's**. Over two

thirds of them (67.9%), contributed previously to a pension fund from public system or from private pensions system, and could therefore benefit, in the future, of an old-age pension, after the conditions stipulated by law or by contract will be accomplished.

Pensioners and the labour market

Out of the 1982 thousand pensioners aged 50-69 years, only **414 thousands (20,9%) were still employed**. The remaining of **1568 thousand persons ceased working** being at the survey date not economically active persons (78.9%) or, to a very low extent (0.2%), unemployed.

Fig.3 - Pensioner participation into the labour market



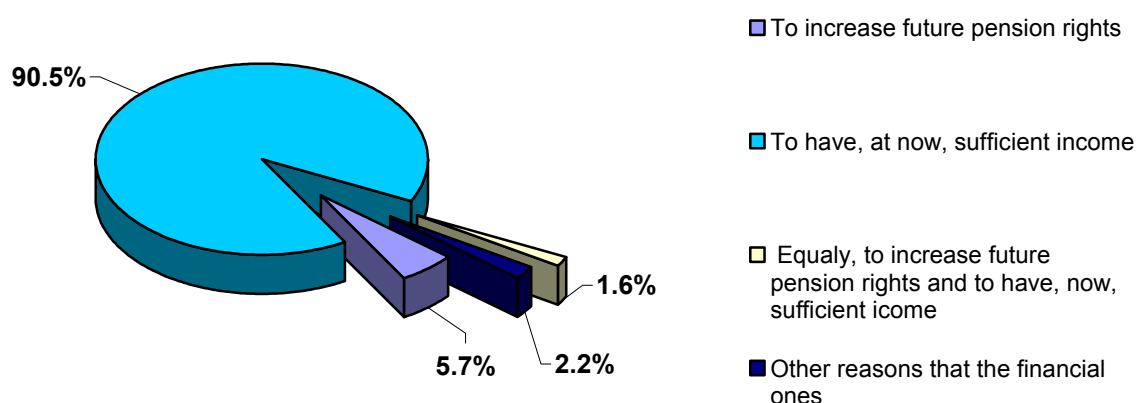
Working beyond retirement

Among the pensioners who continues to work, the majority weights were held by persons living in rural area (93.8%) and by women (52,7%).

The overwhelming majority (97.0%) of employed pensioners worked in agricultural sector and were, by status in employment, self-employed or contributing family worker (98.5%). Only 1.5% worked as employees.

Out of the total employed pensioners, 90.5% (375 thousands persons) declared that they are still working to ensure enough incomes for the household in which they are part.

Fig.4 –Distribution of employed pensioners by reason for prolonging working life



Withdrawal from the labour market

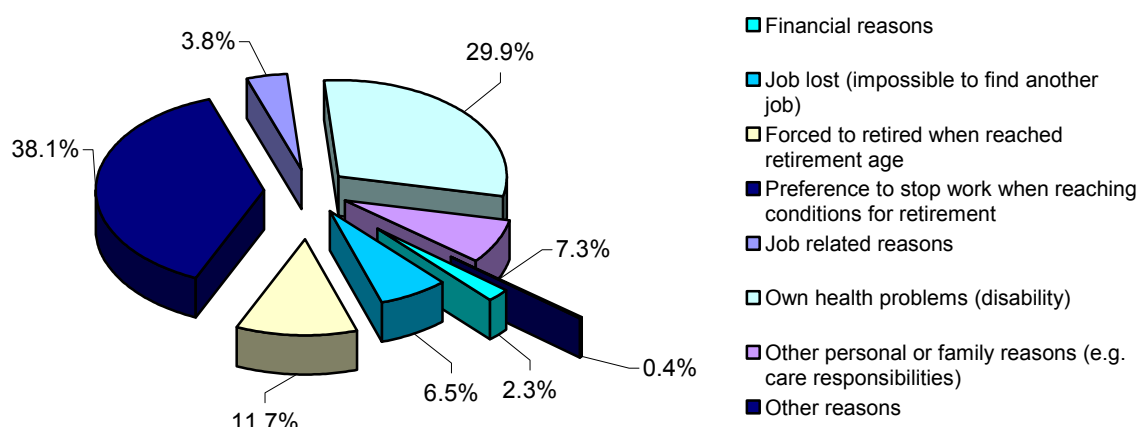
Out of the 1568 thousand pensioners who already ceased work, the highest weights were held by women (56.1%) and by persons resident in urban area (70.7%).

Over a third (**38.1%**) of pensioners who had ceased their professional activity **chose to do so once they fulfilled the conditions for retirement**. The most of the persons in this category were women (58.7%) and lived in urban area (73.7%).

For **29.9%** of pensioners withdrawn from the labour market, **the most important reason for the professional activity ceasing was the existence of health problems**. This reason was more frequently stated by men (50.5%), by pensioners resident in urban area (66.0%).

11.7% of non-employed pensioners were forced to retire once the conditions for retirement were fulfilled.

Fig.5 – Distribution of employed pensioners by reason for withdrawal from the labour market



Persons who does not beneficiate of pension

1853 thousands persons, representing 48.3% of population being the survey object, **did not beneficiate of any type of pension**. Out of these, 57.9% were men and 59.6% lived in urban area; almost half of them (49.4%) were 50-54 years old. Among them, **1853 thousands persons** (85.4%) already **contributed to a pension's fund**, public or private, meaning they might receive a pension in the future, after they will fulfill the conditions regarding age and contribution period of time.

Out of the **272 thousand persons neither receiving pension nor having contributed to a pension fund**, 58.0% were women nor did 82.4% live in rural area. Share of those having low level of education was of 67.5%.

METHODOLOGICAL NOTES

1. The data source is the ad-hoc module "Transition from work to retirement" - attached to the Household Labour Force Survey in the second quarter of 2012. The main purpose of the complementary survey is to provide information on the transition of older people from economically active life to retirement: patterns of transition, reasons for ceasing work or those of prolonging professional activity.
2. **Employment** comprises all persons aged 15 years and over who carried out an economic activity producing goods or services of at least one hour³ during the reference period (one week), in order to get income as salary, payment in kind or other benefits. Self-employed and contributing family workers from agriculture are considered as employed persons only if they are the owners of agricultural production (not necessarily of lands) achieved and they meet one of the following conditions:
 - a) The agricultural production is intended, even partially, to sale or to barter agreements;
 - b) The agricultural production is exclusively intended to self-consumption if it accounts for a significant part³ of household's total consumption.

Employment is not comprising the persons who:

- Carry out minor agricultural activities⁴, for recreation, hobby or in view to obtain, additionally, food goods which do not represent a significant part of household's total consumption;
 - Carry out agricultural activities (whose duration exceeds 10 hours/weekly), the agricultural production being exclusively intended for self-consumption, but it does not represent a significant part of household's total consumption.
3. **Unemployed** are **persons** aged 15-74 years old who in the reference period fulfill the following conditions: (i) have no job and do not carry out an activity in order to get income; (ii) are looking for a job, in the last 4 weeks; are available to start work in the next two weeks.
 4. **Pension categories considered for data collection were:**
 - Pensions from public pension system, including the system of pensions of the M.A.P.N, M.A.I., S.R.I., of religious organizations, of lawyers (**1st Pillar**):
 - **Pension for age limit**, granted for persons who fulfill cumulatively, at the retirement date, the requirements regarding standard age and minimum contribution stage (total or in specialty, if applicable), under Law no. 263/2010.
 - **Early retirement**, granted with up to 5 years before reaching standard age, to individuals who achieved the contribution stage provided by Law no. 263/2010 or exceeded it with a period of time less than 8 years.
 - **Partial early retirement**, granted with up to 5 years before reaching standard age, to those who have done the complete contribution and to those who have exceeded the complete contribution with up to 8 years.
 - **Invalidity pension** is granted to people who have lost at least half of their work capacity.
 - The **survivor's pension** is granted to children and the surviving spouse if the deceased persons was a pensioner or fulfilled the conditions for obtaining a pension.
 - Pension within the **3rd Pillar** of pension system - which is based on voluntary membership and managed by private companies. There were also included in this category annuities received/payable from investment funds or insurance companies following a contributions made under contracts concluded before the law 204/2006 enter into force.

Having into account the risk covered, **pensions were grouped in the following categories:**

 - **old age pensions:** pension for age limit, early retirement and partial early retirement;
 - **other categories of pension:** invalidity and survivor's pension.
 5. Information regarding **age of retirement** was collected only for persons receiving one of the pensions included in the "old age pensions" category. It was considered to be the date when the persons received the first pension of this type.
 6. **Early retirement** refers to the situation when the persons retired before reaching the standard age and the path to normal retirement for age limit passed through a different type of pension, namely: **anticipated pension; partial anticipated pension; invalidity pension.**

Additional information could be obtained from the statistical publication "Transition from work to retirement", issuing deadline December 12, 2012.

³ At least 15 hours for self-employed and contributing family workers from agriculture – previously to 2011.

⁴ At least 50% of household's total consumption.

⁵ Whose duration, in the reference week, do not exceed 10 hours.

Table 1

Persons aged 50-69 years who are working or have worked after the age of 50 years by individual pension rights of which are benefiting and labour force participation

- thousand persons -

SEX URBAN/RURAL AREA PARTICIPATION IN ECONOMIC ACTIVITY	TOTAL	Are benefiting of pension	INDIVIDUAL PENSION RIGHTS OF WHICH ARE BENEFITING			Are not benefiting of pension
			old age pension	pension of invalidity	survivor's pension	
TOTAL	3835	1982	1681	272	29	1853
Economically active persons	2203	419	352	48	19	1784
Employed	2147	414	348	47	19	1733
Unemployed	56	*	*	*	*	51
Non-economically active persons	1632	1563	1329	224	10	69

Note: symbol" *" means that values are not reliable due to the small number of observations

Table 2

Pensioners by age groups, sex and urban-rural area

	TOTAL	SEX		AREA	
		Male	Female	Urban	Rural
Total pensioners – thou. persons	1982	885	1097	1135	847
	- in % as against total -				
50-54 years	3.1	3.2	3.0	3.0	3.2
55-59 years	18.5	17.1	19.7	21.1	15.0
60-64 years	42.0	41.2	42.6	43.7	39.7
65-69 years	36.4	38.5	34.7	32.2	42.1

Table 3

Pensioners who don't work, by reason for cessation of activity by sex and urban/ rural area

	TOTAL	SEX		AREA	
		Male	Female	Urban	Rural
Total pensioners not employed – thou. persons	1568	689	879	1109	459
	- in% as against total -				
Financial reasons	2.3	2.8	1.9	1.9	3.3
Job lost (impossible to find another job)	6.5	7.4	5.7	6.5	6.4
Forced to retired when reached retirement age	11.7	11.0	12.3	12.2	10.6
Preference to stop work when reaching conditions for retirement	38.1	35.8	39.9	39.7	34.2
Job related reasons	3.8	3.9	3.9	4.0	3.6
Own health problems (disability)	29.9	34.4	26.4	27.9	34.8
Other personal or family reasons (e.g. care responsibilities)	7.3	4.6	9.4	7.5	6.7
Other reasons	0.4	0.1	0.5	0.3	0.4