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In 2012, 38 per cent of persons between 50 and 69 years old received a pension.

Transition from Work to Retirement: 2012 LFS module results

Demographic information

An ad hoc module carried out during the 2012 Labour Force Survey monitored employed persons and their transition from work to retirement. The module, co-financed by Eurostat, was carried out in accordance with European Regulation EC No. 249/2011. The target population included persons aged 50-69.

Findings indicate that of the total population in this age bracket, 38 per cent, or 43,264 persons, received a pension (Table 1). When information is broken down by broad age group, one notes that the receipt of pensions increases with age. In this regard, 22 per cent of persons aged 50-59, 65 per cent of persons aged 60-64, and 73 per cent of persons aged 65-69 were pension beneficiaries.

As shown in Table 2, of all employed persons (between 50-69 years old), only 13 per cent received a pension, against 86 per cent who were inactive.

Transition from work to retirement

The mean age at which persons started receiving a pension was 57 (Table 4). Of all pension beneficiaries aged between 50 and 69, 40 per cent stated they had retired before reaching retirement age (Table 5). On the other hand, 31 per cent of the target population stated they wished to stay longer in employment (Table 6).

Previous employment for pension beneficiaries in the 50-69 age bracket was mainly in industry (35 per cent). This sector includes manufacturing and construction (Table 7). As to occupations, skilled manual jobs (including carpenters, farmers and drivers) were predominant among male beneficiaries in the target group (37 per cent), while low-skilled non-manual jobs (including clerks and salespersons) were more prevalent among female workers (46 per cent).

In terms of entitlement, the majority, or 91 per cent, of men who did not receive any form of statutory old-age pension at the time of the survey, perceived that they were entitled to such a pension. This figure for women was 24 per cent ■

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Table 1. Number of persons aged 50-69 receiving a pension

Age group	Sex				Total	
	Male		Female		No.	% population
	No.	% population	No.	% population		
50-59	3,851	26.7	2,643 ^u	17.1 ^u	6,494	21.7
60-64	12,548	83.9	6,668	44.9	19,216	64.5
65-69	10,630	100.0	6,924	51.9	17,554	73.2
Total	27,029	49.5	16,235	27.3	43,264	38.0

: unreliable - less than 20 sample observations

^u under-represented - between 20 and 49 sample observations

Table 2. Labour status of persons aged 50-69 receiving a pension

Labour status	Sex				Total	
	Male		Female		No.	%
	No.	%	No.	%		
Employed	4,804	17.8	:	:	5,696	13.2
Unemployed	:	:	:	:	:	:
Inactive	22,116	81.8	15,274	94.1	37,390	86.4
Total	27,029	100.0	16,235	100.0	43,264	100.0

: unreliable - less than 20 sample observations

^u under-represented - between 20 and 49 sample observations

Table 3. Pensions by type (includes only pensions received by persons aged 50-69)*

Type of pension	Sex				Total	
	Male		Female		No.	% pensioners
	No.	% pensioners	No.	% pensioners		
Old-age	26,742	98.9	10,787	66.4	37,529	86.7
Disability	3,646	13.4	1,402 ^u	8.6 ^u	5,048	11.7
Survivor's	:	:	4,680	28.8	4,866	11.2
Other type	1,200 ^u	4.4 ^u	1,201 ^u	7.4 ^u	2,401 ^u	5.5 ^u

* a person can have more than one pension type

: unreliable - less than 20 sample observations

^u under-represented - between 20 and 49 sample observations

**Table 4. Average age at which persons started receiving a pension
(includes only pensioners aged 50-69)**

Pension type	Sex		
	Male	Female	Total
	Mean retirement age		
Old-age	59	60	59
Disability	56	:	56
Survivor's	:	46	49
Other type	53 ^u	55 ^u	54
Total	58	57	57

: unreliable - less than 20 sample observations

^u under-represented - between 20 and 49 sample observations

Table 5. Number of persons who retired early (includes only beneficiaries aged 50-69)

Early retirement	Sex				Total	
	Male		Female		No.	%
	No.	%	No.	%		
Retired early	12,661	46.8	4,650	28.6	17,311	40.0
Did not retire early	14,368	53.2	11,585	71.4	25,953	60.0
Total	27,029	100.0	16,235	100.0	43,264	100.0

**Table 6. Number of persons who wished to stay longer in employment
(includes only beneficiaries aged 50-69)**

Wish to stay longer in employment	Sex				Total	
	Male		Female		No.	%
	No.	%	No.	%		
Yes	9,677	35.8	3,582	22.1	13,259	30.6
No	14,497	53.6	9,671	59.6	24,168	55.9
Never worked	:	:	2,335 ^u	14.4 ^u	2,479 ^u	5.7 ^u
Still employed	2,711 ^u	10.0 ^u	:	:	3,358	7.8
Total	27,029	100.0	16,235	100.0	43,264	100.0

: unreliable - less than 20 sample observations

^u under-represented - between 20 and 49 sample observations

**Table 7. Previous economic activity for pension beneficiaries
(includes only beneficiaries aged 50-69 years)***

Economic activity	Sex				Total	
	Males		Females		No.	%
	No.	%	No.	%		
Agriculture	:	:	:	:	:	:
Industry	8,772	40.1	3,116	25.2	11,888	34.8
Market services	7,280	33.3	3,744	30.3	11,024	32.2
Non-market services	5,401	24.7	5,433	44.0	10,834	31.7
Total	21,853	100.0	12,349	100.0	34,202	100.0

* excludes beneficiaries who remained in employment and persons who never worked

: unreliable - less than 20 sample observations

^u under-represented - between 20 and 49 sample observations

**Table 8. Previous occupation for pension beneficiaries
(includes only beneficiaries aged 50-69)***

Occupation aggregations	Sex				Total	
	Males		Females		No.	%
	No.	%	No.	%		
Armed forces	:	:	:	:	:	:
Highly-skilled non-manual	2,844 ^u	13.0 ^u	1,857 ^u	15.0 ^u	4,701	13.7
Low-skilled non-manual	7,362	33.7	5,669	45.9	13,031	38.1
Skilled manual	8,122	37.2	2,226 ^u	18.0 ^u	10,348	30.3
Elementary occupations	3,250	14.9	2,541 ^u	20.6 ^u	5,791	16.9
Total	21,853	100.0	12,349	100.0	34,202	100.0

* excludes beneficiaries who remained in employment and persons who never worked

: unreliable - less than 20 sample observations

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Table 9. Non-beneficiaries' perceptions on entitlement to old-age pensions

Type of pension		Sex				Total	
		Male		Female		No.	%
		No.	%	No.	%		
Old-age pension: Statutory scheme	No	2,502 ^u	9.1 ^u	33,018	76.5	35,520	50.2
	Yes	25,069	90.9	10,118	23.5	35,187	49.8
	Total	27,571	100.0	43,136	100.0	70,707	100.0
Old-age pension: Occupational scheme	No	24,140	87.6	41,930	97.2	66,070	93.4
	Yes	3,431	12.4	1,206 ^u	2.8 ^u	4,637	6.6
	Total	27,571	100.0	43,136	100.0	70,707	100.0
Old-age pension: Personal scheme	No	26,535	96.2	42,621	98.8	69,156	97.8
	Yes	:	:	:	:	1,551 ^u	2.2 ^u
	Total	27,571	100.0	43,136	100.0	70,707	100.0
Old-age pension: Scheme unknown	No	26,946	97.7	42,963	99.6	69,909	98.9
	Yes	:	:	:	:	:	:
	Total	27,571	100.0	43,136	100.0	70,707	100.0

: unreliable - less than 20 sample observations

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Methodological Notes

The data provided in this release are extracted from the LFS based on Commission Regulation (EU) No 249/2011 of 14 March 2011 adopting the specifications of the 2012 ad hoc module on transition from work to retirement.

The LFS is designed to satisfy the concepts and definitions as outlined by Eurostat. This allows the comparability of results with other EU member states and countries following ILO definitions of employment and unemployment.

For 2012, the ad hoc module was carried out on a sample of persons conducting the LFS survey in Quarters 1 and 2 of 2012. The sample consisted of those persons taking part in the survey for the first and fourth time.

Definitions for each social security benefit are available online: <http://www.nso.gov.mt/docs/Social-Security-Benefits-Glossary.pdf>

All data contained in this release refers to persons aged between 50 and 69.

EMPLOYMENT: This comprises all persons above 15 years of age who, during the reference week, were in one of the following categories:

paid employment: includes persons who during the reference week worked for at least one hour for a wage or salary, in cash or in kind.

were employees but were not at work and were: on paid or sick leave, did not work due to bad weather, were undergoing training or education, did not work due to a labour dispute, were on maternity or parental leave, did not work due to slack work for technical or economic reasons, were absent from work for a period of less than 3 months, or were not working because on layoff and receiving at least 50 per cent of the salary/wage.

self-employed: a person who runs a trade or business, rather than working as an employee for someone else. A person is self-employed if s/he is a sole proprietor or a partner working in a business.

unpaid family workers: refers to persons who worked without pay in a family business or farm. Excluded from this definition are housewives.

INACTIVE PERSONS: All persons who are not classified as employed or unemployed are defined as inactive.

OCCUPATION AGGREGATIONS:

Highly skilled non-manual: Refers to ISCO 08 group codes 1 and 2 (Managers and Professionals).

Low skilled non-manual: Refers to ISCO 08 group codes 3 to 5 (Technicians and associate professionals, Clerical support workers and Service and sales workers).

Skilled manual: Refers to ISCO 08 group codes 6 to 8 (Skilled agricultural, forestry and fishery workers, Craft and related trades workers and Plant and machine operators and assemblers).

Elementary occupations: Refers to ISCO 08 group code 9 (Elementary occupations).

PENSIONS: The following are types of pensions included:

Old-age pension: Statutory scheme: This category includes Decreased National Minimum Pension, Increased Retirement Pension, National Minimum Pension/Increased National Minimum Pension, Retirement Pension, Two-thirds Pension, Old-age Pension, Foreign Pensions.

Old-age pension: Occupational scheme: is a pension paid to public officers who joined the Public Service of Malta prior to 15 January 1979).

Old-age pension: Personal scheme: These are private pensions also known as pension plans or funds. Individuals independently purchase and select material aspect of the arrangements. Employers may contribute to the scheme. These pensions are generally known as Private retirement pension.

Disability pension: Payable to persons deemed permanently incapable for suitable full-time or regular part-time employment. Examples of this category are: Invalidity Pension, Injury Pension, Decreased national invalidity pension, Increase injury pension, National minimum invalidity pension, Blind pension, Disability/Severely Disability Pension.

Survivor's pension: Examples of this category are Widows' Pension, National minimum widows' pension and Early survivors' retirement pension (is an earnings-related pension payable to a widow whose husband passed away before

Unemployment pension: Periodic payments to older workers who retire before reaching the retirement age due to unemployment or job reduction caused by economic measures such as business restructuring.

UNEMPLOYMENT: This comprises all persons above 15 years of age who, during the reference week, satisfied the following criteria:

without work

actively seeking work during the previous 4 weeks, e.g. includes contacting the ETC, applied directly with an employer, contacting a private employment agency, inserting or answering to an advert in a newspaper.

currently available for work – available to start work within 2 weeks of the reference week.

Sampling Variability

The data in this release are based on statistical samples, and as such, estimates carry a sampling error. A measure of the sampling error is the standard error. The standard error as a percentage of the estimate is referred to as the coefficient of variation (CV). The CV is generally computed and expressed as a percentage, which is then quantified by the sampling variability. The coefficient of variation and the sampling variabilities give an indication of the confidence limits.

Sampling Variability of LFS figures

	Estimate	Coefficient of Variation (%)	95% Confidence Interval
Persons receiving a pension	43,264	3.40	±2,882
Average retirement age	57	0.38	±0.43

The above table gives indications of the sampling variability. Hence, with regard to persons receiving a pension, the LFS estimate is 43,264 and the coefficient of variation is 3.4 per cent. Therefore, the figure lies between 40,382 and 46,146 persons.

Information

More information is available from the NSO upon written request.