
Austria urged to thwart early retirement

By Editor Test Wed, Jul 13, 2011

Though Austria's statutory retirement ages are 65 for men and 60 for women, Austrian men retire at age 58.9 on average while women retire at age 57.5 on average.

The Austrian government should abolish all incentives for early retirement, according to the Organization for Economic Cooperation and Development's latest country survey, *Investments & Pensions-Europe* reported.

Though Austria's statutory retirement ages are 65 for men and 60 for women, Austrian men retire at age 58.9 on average while women retire at age 57.5 on average. People in most other OECD countries—the world's 40 most developed countries—retire just one or two years below the statutory retirement age.

The OECD pointed out that this was mainly due to the high number of people exiting the labor market through disability pensions, as well as still existing early retirement programs.

"All subsidies that encourage early retirement [in Austria] should be eliminated, while benefits and social transfers - which amount to 20% of GDP - should be better targeted," the OECD said, adding that the provision that time spent in non-compulsory education can be substituted for regular years of contributions by paying a high lump-sum per month was "particularly problematic," as it "increases the incentive for high-skilled individuals to leave the labor market."