



Recommendation of the Council on Ageing and Employment Policies

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Date(s)

Adopted on 14/12/2015

Background Information

The Recommendation on Ageing and Employment Policies was adopted by the OECD Council on 14 December 2015 on the proposal of the Employment, Labour and Social Affairs Committee. Recognising that giving older people better work incentives and choices is crucial in the context of rapid population ageing and pressures on the sustainability of public social expenditures, the Recommendation contains a set of OECD policy guidelines for encouraging and supporting employment at an older age, tackling employment barriers on the side of employers, and improving the employability of workers.

THE COUNCIL,

HAVING REGARD to Article 5 b) of the Convention on the Organisation for Economic Co-operation and Development of 14 December 1960;

HAVING REGARD to the Recommendation of the Council on a General Employment and Manpower Policy [C(76)37];

HAVING REGARD to the Recommendation of the Council on Gender Equality in Education, Employment and Entrepreneurship [C/MIN(2013)5/FINAL];

WELCOMING the reports towards an Active Society delivered by the OECD since the 1980s and the major in-depth OECD multi-country review of ageing and employment policies conducted since 2003;

CONSIDERING that important steps have already been taken by governments, employers, trade unions and non-governmental organisations to put forward policies and initiatives for reform in the following three broad areas: i) strengthening incentives to carry on working; ii) tackling employment barriers on the side of employers; and iii) improving the employability of workers;

RECOGNISING that there remains considerable scope for further progress towards the objective of an integrated and comprehensive policy approach to achieve longer and better working lives and boost labour market prospects for older people;

RECOGNISING that strong and effective actions by governments, employers, trade unions and non-governmental organisations are still needed in both the public and private sectors to remove the obstacles to longer and better working lives and monitor the progress in achieving this goal together, including by supporting the efforts of developing and emerging countries;

On the proposal of the Employment, Labour and Social Affairs Committee:

I. RECOMMENDS that Members and non-Members having adhered to this Recommendation (hereafter the “Adherents”) strengthen incentives for workers to build up longer careers and to continue working at an older age. To this effect, Adherents should, as appropriate:

a) enhance incentives to continue working at an older age:

- i) by ensuring that the old-age pension system encourages and rewards later retirement in line with increased life expectancy while ensuring adequacy and sustainability of pension payments; and
- ii) by encouraging longer and more satisfying careers through more flexibility in work-retirement transitions, including by promoting phased retirement, better balancing work and care and permitting a combination of pensions with work income

b) restrict the use of publicly-funded early-retirement schemes which encourage workers to leave employment while they are still in good health and able to work;

c) ensure access to welfare benefits, such as unemployment and disability benefits, for all workers, irrespective of their age and status, and monitor that these benefits are used for their original purpose and not to incentivise early retirement for those still able to work.

II. RECOMMENDS that Adherents encourage employers to retain and hire older workers. To this effect, Adherents should, as appropriate:

- a) **address discrimination in employment on the basis of age** by taking measures, such as legislation preventing age discrimination and public-awareness campaigns, to eliminate discrimination in the recruitment, promotion and training process, and in employment retention in collaboration and consultation with employers’ and workers’ representatives;

- b) **take a balanced approach to employment protection** by ensuring that age is not a criterion in determining the level of employment protection while promoting better access to quality jobs for older workers;
- c) **seek to discourage or further restrict mandatory retirement** by employers in close consultation and collaboration with employers' and workers' representatives, while respecting in a limited number of instances that such practices may be necessary;
- d) **encourage employer and worker representatives to identify mechanisms to facilitate the retention and hiring of all older workers**, even those in vulnerable situations, including reviewing their practices in setting pay to reflect productivity and competences, not age;
- e) **encourage good practice by employers in managing an age-diverse workforce** through public and private initiatives that provide guidance on issues such as promoting a sharing of knowledge and experience across different age groups and adjusting work responsibilities and working-time arrangements to the changing capacities of workers and their family responsibilities over their life course as well as to take account of improvements in the education, health and physical capacities of older workers.

III. RECOMMENDS that Adherents promote the employability of workers throughout their working lives with a view to strengthening employment opportunities at an older age. To this effect, Adherents should as appropriate:

- a) **enhance participation in training by workers throughout their working lives** by providing guidance services and ensuring that training is adjusted to reflect the experience and learning needs of workers at different ages, including strengthening access to work-based training for those in non-standard forms of work, encouraging increased investment in skills development at mid-career and improving the attractiveness of training and its potential returns for older workers by adapting teaching and learning methods and content to their needs;
- b) **provide effective employment assistance to jobseekers**, irrespective of their age, but targeted at those groups most at risk of long-term joblessness while ensuring that older jobseekers have the same obligations as younger jobseekers for receiving unemployment benefits in terms of actively seeking a job, but also the same rights in terms of access to targeted re-employment services;
- c) **improve working conditions through a broad-based strategy to enhance job quality for workers at all ages**, in terms of strengthening workplace safety and physical and mental health, reducing the incidence of hazardous and arduous work, balancing professional and family responsibilities, and facilitating job mobility as a function of the changing experience and capacities of workers.

IV. INVITES the Secretary-General to disseminate this Recommendation.

V. INVITES Adherents to disseminate this Recommendation.

VI. INVITES non-Adherents to take account of and adhere to this Recommendation.

VII. INSTRUCTS the Employment, Labour and Social Affairs Committee to:

- a) serve periodically or at the request of Adherents as a forum for an exchange of views and a structured sharing of experiences and good practices on matters related to the Recommendation;
- b) support the efforts of Adherents to implement this Recommendation through comparative data, analytical studies and measurable policy indicators;

- c) monitor progress and policy development, including through the use of relevant indicators, in the follow up to this Recommendation and report thereon to the Council no later than five years following its adoption and regularly thereafter.

Adherents*

OECD Members

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Austria
Belgium
Canada
Chile
Czech Republic
Denmark
Estonia
Finland
France
Germany
Greece
Hungary
Iceland
Ireland
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Japan
Korea
Latvia
Lithuania
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- **Recommendations:** OECD legal instruments which are not legally binding but practice accords them great moral force as representing the political will of Adherents. There is an expectation that Adherents will do their utmost to fully implement a Recommendation. Thus, Members which do not intend to do so usually abstain when a Recommendation is adopted, although this is not required in legal terms.
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