

Women are staying in workforce longer due to changes in pension age

July 13 2016, by Laura Soderlind



Credit: University of Melbourne

Increasing the pension age from 61 to 65 for women – making it the same access age for men – results in women spending longer in the labour force rather than seeking other welfare payments, according to University of Melbourne research.

The way Australian women have responded to these changes show that

they are not manipulating the welfare system, said lead researcher Dr Cain Polidano from the Melbourne Institute of Applied Social and Economic Research.

"We are not seeing a flood of people entering the system to retire earlier. Rather the data shows a very small proportion of women who, because of disability or prolonged periods out of work, are unable to support themselves in the workforce."

The increase in [pension age](#) created a four per cent increase in the relevant women receiving alternative payments, such as disability and unemployment benefits.

Based on estimated welfare expenditure, this increase of the retirement age for [women](#) saves around \$20 million per month.

Dr Polidano said more needs to be done to alleviate economic pressures associated with the aging population.

"One third of the population are already supported by the [welfare](#) system at age 60," he said.

"Savings from pension age increases would be much greater if [labour force](#) participation was higher."

Dr Polidano called for more retraining opportunities and pathways for older workers and career counselling for those faced with redundancy before becoming eligible for the retirement pension.

"Staying in the workforce longer could have [long term health](#) and wellbeing benefits but we can't just expect the transition to happen without support.

This is the first research of its kind to account for extension of existing payments. The study used ABS population data and Centrelink data.

Provided by University of Melbourne

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