



BROWN BAG SEMINAR

OCTAVE DE BROUWER

The Long term Effects of Early Retirement Access During Mass Layoffs: The Case of the Belgian Pre-pension Program

Most OECD countries have tightened workers' access to early retirement programs. This creates fear that part of the gains from longer careers will be offset by an increase in other social security expenses such as unemployment and disability. This article sheds light on this problematic by studying the long-term effects of workers' access to early retirement during mass layoffs on labor supply and social security transfers. We use the Belgian pre-pension scheme as our case-study. We find that early retirement access strongly depresses workers' labour supply but also reduces unemployment and disability expenses. Overall, we find that pre-pension access depresses workers total earnings (labour income + social security transfers) in the long-run.

www.ceb-ulb.com

www.cermi.eu