

NETHERLANDS



Key policies to promote longer
working lives

Country note 2007 to 2017

KEY POLICIES TO PROMOTE LONGER WORKING LIVES IN THE NETHERLANDS¹

(Situation 2007 to mid-2017)

The Netherlands could do more to raise the employment rate of older workers. Despite recent substantial increases for the age group 55-64, the rate for those aged 65-69 is at 13% in 2016, well below the rate of 22% in Sweden. (See more indicators in the Late Career Scoreboard at the end of this note in Table 1). In particular, as indicated in Table 2, the Netherlands should take action to discourage mandatory retirement by employers and review the use of seniority wages. That said, the country has taken substantial action in a number of areas: preventing disability benefits from being used as alternative pathways to early retirement; launching of public awareness campaigns; promoting the socio-economic potential of older workers; encouraging the social partners to implement better retention mechanisms targeted at older workers; targeting older workers most at risk of long-term joblessness; and enhancing job quality for older workers. Sustainable employability is a key driver in the Netherlands.

1. Rewarding work and later retirement

1.1. Enhancing incentives to continue working at an older age

Introduction

The Netherlands has a multi-pillar pension system. The statutory pension (AOW, the first pillar) provides a flat-rate benefit accrued via residence; occupational pensions (the second pillar), covering about 91% of workers, provide earnings-related benefits on top of AOW; and optional private pensions (the third pillar) are available for those without occupational pensions, or who want to supplement the first two pillars. The self-employed without personnel and those who work only a few hours per week in part-time jobs are less likely to be covered by occupational pensions.²

Raising the statutory age of retirement

In 2012 the government accelerated what had been a gradual increase in the pension age for AOW so that the statutory pension age will be 66 in 2018 and 67 in 2021. After that, it will be linked to increases in life expectancy. The government announced in October 2016 that the pension age will be increased to 67 years and 3 months by 2022.

The retirement age of occupational pension schemes has also increased – from 65 to 67 in 2015 – together with tighter accrual rules for building up new pension rights. The retirement age of occupational pension

1. This note has been produced by the Ageing and Employment Policy Team.

2. There were 414 different occupational pension schemes managed by the social partners at the end of 2014; see OECD (2017).

schemes is also linked to increases in life expectancy. In October 2016, the government announced that for the fiscal treatment of occupational pension schemes, the retirement age would be set at 68 from 1 January 2018. It is possible to draw on the occupation pension earlier; however, the benefits are adjusted using actuarially fair calculation methods.

Facilitating phased retirement

There is no option to receive AOW partially either before or after the statutory pension age. However, the rules on phased retirement in the second pillar vary among occupational pensions.

Better combining of pensions and work income

It is possible to combine receipt of AOW and work, but only after the statutory pension age. There is no earnings limit. In addition, the social partners have introduced measures in most occupational pensions that allow combining part-time work with a part-time pension. This option is popular, as the culture of voluntary part-time work is common in the Netherlands.

Rewarding longer careers

It is not possible to defer the AOW after the statutory pension age. However, it is possible for individuals to defer their occupational pension for a maximum of five years after the start of the AOW. The use of an actuarially fair calculation method means that an additional reward for a longer career (in the form of truly higher pension benefits) is not possible.

1.2. Towards restricted use of early retirement schemes

Restricting access to publicly funded early retirement schemes

Leaving the labour market through early retirement was previously common practice for older workers in the Netherlands. In 2005 the tax-favoured status of early retirement programmes (VUT), which led to pre-pension benefits between the ages of 60 and 65, was abolished. According to OECD (2014), this contributed to a change in culture and people's attitudes towards early retirement. Occupational pension plans normally provide reduced benefit levels calculated on an actuarially fair basis if workers retire before the pension age specified in the pension plan.

Introducing specific provisions for arduous/hazardous work

According to Anderson (2016), efforts to respond to the needs of people in arduous/hazardous work (AHW) are concentrated on the second pillar. Workers in arduous/hazardous jobs can only retire early (either fully or partially) if their occupational pension scheme includes special AHW provisions or allows flexible retirement. Pensions for workers in sectors typically considered to include AHW contain such provisions. For example, the construction sector has special provisions allowing employees to retire at the age of 60 with less (or hardly any) reduction in their benefits.

1.3. Preventing welfare benefits from being used as alternative pathways to early retirement

Unemployment (insurance and assistance) benefits

The maximum duration of unemployment insurance benefits (UIB) has gradually been reduced from 38 to 24 months (one month per quarter) from January 2016 to July 2019, for all age groups. Rules concerning what constitutes suitable work were also tightened starting in July 2015.

Two temporary benefits are targeted at the older unemployed: Income Compensation for Older (over 50) and Partially Disabled Employees (IOAW) and Income Compensation for Older (over 60) Unemployed (IOW). IOAW was introduced in 1987 and as of January 2015 has been gradually phased out for people born after 1965. The number of persons receiving IOAW increased a great deal over the past decade, from 8 400 in 2006 to 22 300 in 2016. IOW was introduced in 2006 for an initial period of five years because of the difficulties experienced by older jobseekers wishing to return to work. However, its access has been extended from July 2011 to January 2020, as the reduction in the length of UIB primarily affects older workers. The IOW benefit is paid after the UIB, until the pensionable age. The first payments of benefits IOW were paid in 2010; by 2016 they were reaching 22 300 persons. The IOW programme will be evaluated in 2020.

The 2017-2021 Coalition Agreement, entitled Confidence in the Future, agreed on extending IOW to January 2020, and its age threshold will be amended in line with rises in the state pension age starting in 2020. The government will also invest EUR 40 million per year in extra personal coaching to be provided by the public employment service (UWV, PES in the Netherlands) to jobseekers receiving unemployment benefits. This is in the right direction, as it helps them search for a job without delay.

Disability benefits

Reforms of statutory sickness insurance and disability insurance adopted in the early 2000s have substantially reduced the generosity of these schemes, limiting their attractiveness as early exit pathways. Despite this, about 40% of all recipients of disability benefits were aged 55 or older in 2016.

Since 2004, following adoption of the Gatekeeper Improvement Act, employers are obliged to pay (at least) 70% of an employee's salary for a maximum duration of two years if they need to take time off due to sickness. There are no public funds available to cover these costs, but employers can (partially) insure themselves against them. This creates incentives for employers to use occupational health and safety services and to ensure that employees who are on sick leave return to work as soon as possible. If necessary, employers are obliged to adjust the workplace and work tools for the employee who is sick. If, after two years of sick leave, a worker remains unemployed and they have a disability or work incapacity of at least 35%, they can qualify for disability benefits.

However, since 2015 a no-risk insurance policy has been available to older workers: under certain conditions, the government pays the sickness benefit for employees who are older than 55 and were previously long-term unemployed.

Social aid

With the Participation Act in force as of 2015, responsibility for the labour market integration of groups at the market's margin lies primarily with the municipalities. Under the new act (a merging of three acts: the Work and Social Assistance Act, the Sheltered Employment Act, and part of the Invalidity Insurance Act), wage cost subsidies have been introduced for people who can work but are unable to earn the minimum wage. The difference between their wage capacity and the minimum wage is now subsidised by the municipality. Other initiatives include improving access to job coaches; encouraging workplace alterations such as reading aids for the visually impaired; and offering sheltered work for people who need continuous support in the workplace. Networks between municipalities, the PES, employers and employees are helpful in the implementation process. To ensure that there are sufficient jobs for the target group, the social partners have agreed that employers will create 125 000 additional jobs for people with disabilities by 2025 – 100 000 in the private sector and 25 000 in the public sector (through the Jobs Agreement and Handicapped Workers Quota Act). A quota will be activated if the target number of jobs is not reached voluntarily.

In October 2016, the Ministry of Social Affairs and Employment announced experiments by the municipalities linked to the Participation Act. Their aim is to investigate what policy interventions work best to reduce people's reliance on social assistance. These experiments do not discriminate in terms of the age of persons receiving social assistance.

2. Encouraging employers to retain and hire older workers

2.1. Preventing discrimination in employment on the basis of age

Launching public awareness campaigns

The Social and Economic Council of the Netherlands (SER) considers that combating all forms of discrimination in the labour market – including age discrimination – requires joint action by employers, employees, and the government. At the request of the Minister of Social Affairs and Employment, the SER prepared an advisory report entitled “Discrimination doesn't work!” in 2014.³ The initial report proposed strategies for combating discrimination at work and promoting equal treatment and diversity in the workplace. These include drafting a charter to stimulate businesses to implement diversity policies; having works councils play a greater role in combating discrimination; providing employers and employees with more information and training; and improving the Dutch Labour Inspectorate's supervision and enforcement with regard to complaints, including the establishment of a Labour Discrimination team.

With funding from the Dutch Ministry of Social Affairs and Employment, the Age and Society Expertise Centre and the Equal Treatment Commission (merged in 2012 into the Netherlands Institute for Human Rights⁴) created a “checklist” to provide employers with a tool to clarify what is allowed and what is prohibited in the text of a vacancy notice. Through a project entitled “Vacancies for all ages”, classified ads for job vacancies placed in newspapers and on the Internet are screened for age discrimination. Employers responsible for placing offending classifieds receive a letter explaining why that particular notice is discriminatory, as well as information on equal treatment legislation. This project, first launched in 2005, has been in operation ever since. According to the Netherlands Institute for Human Rights, the number of unlawful ads has declined over the past decade.

In 2014, the Ministry of Social Affairs and Employment launched its action plan “Labour Market Discrimination”, building on the SER 2014 report. The plan describes 48 measures to combat discrimination, including based on age. The 2017-2021 Coalition Agreement states that this action plan will be continued, with a focus on, among other things, discrimination during the application and selection phases of a vacancy.

The government, in co-operation with the social partners, presented a comprehensive action plan to increase the labour market position of older workers, to be implemented in 2017 and 2018. It includes a campaign to improve the image of older workers as well as an ambassador (a former football player and Dutch celebrity).

3. www.ser.nl/en/ (accessed 31 January 2018).

4. www.equineteurope.org/Netherlands-Institute-for-Human-Rights-57 (accessed 31 January 2018).

2.2. Taking a balanced approach to employment protection by age

Implementing age-neutral measures

In the Netherlands, dismissals must represent a “mirror” image of the existing workforce; collectively dismissed workers reflecting the overall age composition of the firm’s employees (OECD, 2014).⁵

A major reform of employment protection legislation (EPL) aimed at reducing differences between temporary and permanent contracts entered into force in July 2015. The Work and Security Act (Wwz) was a follow-up to the social agreement struck with the social partners in April 2013. Dismissal rules and procedures for permanent contracts were clarified: dismissal for economic or business reasons or due to long-term disability goes through the PES, and termination for personal or performance reasons goes through the Court. Severance payments were also decreased. The law introduced a “transition” allowance at dismissal that no longer depends on the age of the employee, but solely on the number of years of service and the monthly wage (with a maximum of EUR 79 000 in 2018 or one year’s salary, whichever is lower). The goal of this measure is to compensate employees for the dismissal and to promote work-to-work transitions. In addition, the rights of temporary workers were enhanced: the number of temporary contracts permitted per worker was maintained at three; the maximum total duration was limited to two years. The waiting time for renewal of a temporary contract after three contracts or two years of employment in total was raised from three to six months.

Several measures from the Wwz affect older employees in particular:

- i. Employers can terminate the employment contract at or after the moment the employee reaches the state pension age without any need for a permit from the PES or the Court (provided that the contract started before the pensionable age and there are no other individual or collective agreements (CAs) about, e.g., the right to continue working).
- ii. During a transition period, employees aged 50+ and with 10+ years of service will, until January 2020, receive a higher transition allowance due to their relatively worse labour market position. For dismissals at or beyond the state pension age, employers are exempted from the obligation to pay a transition allowance.
- iii. There is a “first out” rule for pensionable employees in cases of dismissals for economic reasons (e.g. due to a poor financial situation of the company).
- iv. When a permanent contract is legally ended (without the need for a permit from the PES or the Court) at or beyond the state pension age, it can be immediately followed by a temporary contract with the same employer.

In addition, the 2015 Working after Retirement Age Act contains measures reducing risks related to hiring employees who have reached the state pension age. The main measures in place since January 2016 are the following: extended possibilities for temporary contracts (a maximum of six temporary contracts per person and a maximum duration of four years); restriction of the period of notice to one month; and limitation of the duration of wage payments made by employers in the event of illness, from two years to thirteen weeks.

The measures contained in the Wwz and outlined by the Working after Retirement Age Act should encourage employers to hire and retain older and pensionable employees. The Wwz will be evaluated in 2020, and the Working after Retirement Age Act in 2018.

⁵ OECD EPL Database, update 2013, <http://www.oecd.org/els/emp/Netherlands.pdf> (accessed 26 February 2018).

2.3. Discouraging mandatory retirement by employers

By law in general and by sector/occupation, private/public sector, region

Mandatory retirement – allowing the employer to set an age at which an employee has to retire – is still in place under certain circumstances in the Netherlands. For example, particular functions are subject to an age limit (e.g. airplane pilots); these functional age dismissals are often intended as a means of protecting the health and safety of older employees and the general public.

There is, however, no single fixed mandatory retirement age in the public and private sectors beyond the statutory pension age (the pension dismissal clause). The Dutch Government has opted not to abolish the pension dismissal clause. Its use in (collective) employment contracts is customary and socially accepted. It provides a natural moment (the AOW age) at which an employment contract can, at a later age of the employee, end without a procedure.

The 2018 evaluation of the Working after Retirement Age Act (see Section 2.2) is scrutinising use of the retirement benefit clause. Relaxation of the dismissal rules for AOW-entitled employees in the Wwz can lead to employers making less use of the pension dismissal clause. The dismissal rules in the Wwz make it more attractive for an employer to have an employee continue to work after retirement age.

2.4. Encouraging the social partners to implement better retention and hiring mechanisms targeted at older workers

For all older workers

The Dutch Government, in particular the Ministry of Social Affairs and Employment, has since 2012 done much to put the issue of “Sustainable Employability” on the political agenda. The focus has been on enhancing employability throughout the life span, bolstering work ability at any age, and implementing age-aware policies. Under this heading, the government has developed various campaigns, websites and tools,⁶ as well as strategies to raise awareness about the importance of investing in the employee’s health, lifelong learning and working conditions to ensure that they are able to work tomorrow, but also until their retirement age. Over the past few years, the responsibility for sustainable employability has shifted from the government to social partners at all levels, and to the company level in particular.

Although the Sustainable Employability project concluded at the end of 2017, the government will remain attentive to this issue, providing training in areas such as lifelong learning, physical and mental health, and safety at the working place. Some project activities will continue into 2018. Although no comprehensive evaluation of the project is available, efforts to reach target groups have been successful, especially through social media (Facebook, Twitter) and the website www.duurzaaminzetbaar.nl. For instance, there were about 150 000 visitors every week on Facebook. Many meetings have also been organised, such as for the annual Week of the Work-Stress. Moreover, many guides on several themes have been published in order to activate employers and employees, and a number of business cases developed. During the past years, the social partners and stakeholders have embraced the theme and put it on their agenda. Nevertheless, much effort is still needed to implement relevant measures at the workplace and inspire investment in sustainable employability elements such as training, health and labour market mobility. In particular, measures should be targeted towards promoting recruitment of less-educated older workers.

6. Website on the Toolbox for Sustainable Employability of the Dutch Ministry of Social Affairs and Employment, available at www.toolboxduurzameinzetbaarheid.nl/index.aspx (accessed 7 February 2018).

Review of the use of seniority wages

There is no legislation on seniority wages in the Netherlands. As the Dutch Government highly values freedom of negotiation among the social partners, wage setting in the private sector is left to labour unions and employer organisations. Wages are linked to seniority in most CAs. However, according to the Belgian Hoge Raad voor de Werkgelegenheid (2016), periodical changes in Dutch CAs are generally limited to 14 years with a maximum of 20 years. Demotion – the reduction of an employee’s rank and salary – is included in 27% of CAs. Demotion allows a worker to move to a workstation with a lighter load, often in exchange for a wage cut or lower wage developments. Results regarding worker satisfaction, mainly that of older workers, are mixed: those experiencing demotion declare that they are less stressed in their new task, but they are also less motivated as they do not make use of their acquired competence and experience.

According to van Dalen and Henkens (2016), demotion is often mentioned by managers and policy makers as a means of increasing the ongoing employability of older workers in an ageing labour force. So far in practice however, demotion is rarely applied by employers. Most managers in the Netherlands perceive negative organisational externalities to arise when introducing demotion (e.g. decreased loyalty from and motivation in staff).

2.5. Encouraging good practice in collective labour agreements and/or by individual employers/industries in managing an age-diverse workforce

Adjusting the work responsibilities and working-time arrangements of older workers

There are many provisions for older workers in CAs. In 2014, the most common provision was the granting of extra leave to older workers, on the assumption that older workers need extra time off to remain healthy and fit for work (Anderson, 2016). According to the Ministry of Social Affairs and Employment (2016), 67% of CAs include rules that exempt older workers from certain kinds of tasks (overtime, irregular working hours, weekend work and teamwork).

However, Sector Plans initiated by the social partners promote the policy of using the savings made by phasing out partly provisions for older workers, such as extra leave, to finance more arrangements in education, mobility and health to sustain the employability of employees of all ages. They aim at supporting the retention of skilled workers within specific sectors and at stimulating inter-sectoral mobility. The government contributed EUR 600 million in 2014 and 2015 in funding Sector Plans.

The Employers’ Forum has collected practical examples of the implementation of successful organisational changes related to increasing employability and work ability among (partially) disabled workers and older workers from experts in the field and from human resource managers.⁷ These examples have been described in a book (in Dutch), Possibilities at Work: Practical Examples of Successful Organisational Changes. The 25 practices described cover many aspects of adapting workplaces, such as ergonomic chairs; implementing devices for lifting; adjusting working time and task arrangements; adjusting team composition; distant work arrangements; and additional guidance and supervision in case of, for example, reintegration or treatment of overload.

The Trade Union Federation (FNV)⁸ plan for 2017-2021 contains age-aware personnel policy measures, such as for older workers, flexible retirement and working fewer hours in combination with young workers. An

7. www.vno-ncw.nl/over-vno-ncw/english (accessed 7 February 2018).

8. www.fnv.nl/over-fnv/internationaal/mondiaal-fnv/english/projects/about-fnv/ (accessed 7 February 2018).

example of this practice is the most recent (2017) CA of Philips. Employees are allowed to request to work part time from age 62 with a minimum of 80% of their working hours. However, participation in the pension plan is continuously based on their original amount of working hours.

The metalworking sector (2017-2019) has introduced sustainable employability provisions into its CA. The CA includes career coaching and working-time provisions to improve employees' capacity to work up to the statutory pension age. Partial early retirement and full retirement is possible from 63, but is funded from an individual's own occupational pension account.

Sharing knowledge and experience across different age groups

The Labour Foundation⁹ is very active in this domain. Its "Policy Agenda 2020: Investing in participation and employability" mentions the necessity of addressing the employability of all generations – thus not only that of older workers – and the need to improve the image of older workers. It stimulates employers and employees to do everything they can to continue to stay healthy, motivated and employed until they reach the age at which they may begin receiving their state pension. All the measures must be worked out at the sector (for example in CAs) and company levels.

In addition, in 2015 the Labour Foundation launched a three-year "Diversity at Work" project that has been granted an extension until February 2020. This project supports businesses and works councils in promoting (age) diversity and assists companies that want to take a firm step towards (age) diversity by establishing a charter. Twenty-two organisations, both public and private – including the Ministry of Social Affairs and Employment, the National Police Services Agency, and the four main cities of the Netherlands (Amsterdam, The Hague, Rotterdam and Utrecht) – joined the charter at its launch. In 2017, some 100 businesses, works councils and organisations have signed the charter; the latest additions include a number of municipalities and organisations related to health care.

3. Promoting the employability of workers throughout their working lives

3.1. Enhancing participation in training by workers in their mid- to late careers

Promoting lifelong learning and development of the adult vocational education and training system

One priority in the Sustainable Employability framework is to implement measures addressing the potential of older workers, as well as the threats of losing valuable skills, knowledge and experience when older workers leave companies. Additionally, programmes have been developed and promoted facilitating lifelong learning and the (inter-sectoral) mobility of older workers; these aim to enhance their employability and to increase their chances of reintegration into the labour market.

The year 2017 saw the beginning of an experiment to strengthen investment in the sustainable employability of less-educated people. Managers of those less-educated workers are trained in a motivational interviewing technique in order to generate internal motivation to invest in their workers' employability. Results are expected in the summer of 2018. This experiment is the result of co-operation between the Ministry of Social Affairs and Employment and the AWWN, the largest employer organisation in the Netherlands. Furthermore, there is a subsidy from the European Social Fund to support employer training that will stimulate sustainable employability. For the period 2014-20, EUR 510 million is available for the projects submitted.

9. www.stvda.nl/en/home.aspx (accessed 7 February 2018).

Setting up mechanisms for recognising and validating skills

The Dutch national system for the validation of non-formal and informal prior learning was revised in January 2016. The new system offers two tracks with different objectives. Individuals can choose to apply for an assessment of their prior learning either in order to fast-track attainment of a formal secondary or tertiary vocational education and training or university diploma, or in order to promote career opportunities, i.e. the education track or the labour market track. In the previous system, only one instrument (EVC) existed to validate prior learning, leading to a Certificate of Experience and so an accredited Experience Profile. In the new system, more instruments are available to validate prior learning, such as intake assessments, e-portfolios and “regular” courses exemption procedures. Expanding the use and importance of validation instruments in job-search and recruitment can increase older workers’ willingness to invest in training and skills development through work, since the validation could increase the likelihood of getting some return for their efforts. It can also stimulate job mobility.

3.2. Providing effective employment assistance to older jobseekers

Promoting an all-age mainstreaming activation approach

The assistance delivered by UWV does not depend on age but on the individual jobseeker’s distance from the labour market. All jobseekers collecting unemployment benefits are invited to fill in the online “workprofiler” of UWV. This profile predicts which jobseekers have a high(er) risk of becoming long-term unemployed. Jobseekers with a low risk of long-term unemployment receive digital assistance. In month seven of their unemployment spell, a meeting will be arranged for them by UWV. In this meeting the caseworker will discuss if additional assistance is preferred. Before month seven they can only, on request, have a personal meeting with a caseworker.

Targeting workers most at risk of long-term joblessness

The current practice is that every jobseeker with a higher risk of long-term unemployment (a predicted probability of employment within one year of less than 50% – very frequent with older jobseekers) will have a personal meeting with a caseworker as soon as possible in order to determine the appropriate job-search assistance. In this meeting, the caseworker and the jobseeker talk about the profile results and the factors that hinder job finding. This results in an action plan that stipulates obligations for the jobseeker as well as the obligations regarding assistance provided by UWV.

Because of the greater difficulties that the older unemployed face in being rehired, UWV has taken a set of actions to help this group. In 2007-2009, the Action Plan Talent 45+ was implemented at the request of Parliament to reduce the relatively high number of people aged 45 and over on unemployment benefits or social assistance. The methods developed through this action plan are now standard practice in UWV. For example, fresh information on the dos and don’ts for the older unemployed seeking a new job can be found on the UWV national website.¹⁰

In 2010, UWV narrowed the scope of its concept to the 55-and-over age group (Talent 55+). The project is now designed to promote these jobseekers and send a signal to employers that they are needed in the labour market. Core measures are network meetings and activities at a national level to change the image of older jobseekers.

10. www.werk.nl/werk_nl/werknemer/eu/working-netherlands (accessed 7 February 2018).

The Ministry of Social Affairs and Employment, UWV, and the temporary work agencies carried out a two-year project beginning in October 2013 entitled “Action Plan 55+ Works”. An amount EUR 67 million was made available for this initiative, to empower jobseekers themselves and to actively approach employers on behalf of this target group. The network training “Successful to Work” formed the basis of the action plan. Insight into competencies, presentation skills and networking with employers is central to this training. Employers’ services were structurally linked to network training courses focused on the placement of those over 50 into jobs. The authors de Groot and van der Klaauw (2017) have measured the net effectiveness of “Successful to Work”. In this empirical effect evaluation, the choice was made to carry out an experiment in which the unemployed were randomly divided into a “treatment group” and a control group. The main findings are:

- i. Participants in training find work faster than non-participants.
- ii. Training is cost-effective. The costs are more than compensated by the savings on unemployment benefits due to the higher unemployment outflow.
- iii. The effects of participation are greater for men and middle- and more highly educated people. The training has no effect on the less-educated and jobseekers who worked in temporary employment prior to the unemployment benefit.

The government, in co-operation with the social partners, presented a comprehensive action plan to increase the labour market position of older workers (50+), to be implemented in 2017 and 2018. An evaluation of the action plan is planned for 2019. The action plan consists in particular of the following new measures (see also in Section 2.1):

- i. Career development advice: a measure to stimulate employee awareness of the necessity of education and mobility during their career (extended until July 2019)
- ii. Intensive employer support to increase the match between supply and demand: support for SMES, face-to-face meetings, etc.
- iii. Lowering the age of no-risk in case of disease to 56 (for the long-term unemployed)
- iv. Subsidy for innovative approaches for getting the older unemployed to unfilled vacancies.

Providing employment/hiring subsidies to firms

The government has implemented a number of incentives for employers to hire older long-term unemployed persons. These include internships and probationary placements for recipients of unemployment or disability benefits; such arrangements enable employees to continue receiving benefits with the employer not having to pay a salary for between three and six months.

In parallel, the government has revised the mobility bonus for employers who hire older persons receiving unemployment benefits. Formerly, the mobility bonus reduced the employer social security contribution by a maximum of EUR 7 000 per year for a full-time employee, for a maximum period of three years. From 2015, the government decided measures to improve the mobility bonus with both budgetary and policy arguments playing a role in this decision. In January 2015, the eligibility age for the bonus was raised from 50 to 56 as the likelihood of older benefit recipients finding work drops significantly after the age of 55. A second measure addressed the relatively high amount of the mobility bonus. Small employers (usually those with fewer than five the government lowered the maximum amount of the bonus in order to make the subsidy budget-neutral, given the expected increase in the number of firms using the benefit paying less in taxes and social security contributions than the amount of the bonus, and therefore cannot receive its full benefit. Consequently, the government lowered the maximum amount of the bonus in order to make the subsidy budget-neutral, given the expected increase in the number of firms using the benefit. From 1 January 2017 onwards, the maximum is lowered to EUR 6 000 per year for a full-time employee. Finally from 1 January

2018, the bonus is replaced by the wage cost benefit component (LKV) in the Wage Allowance Act. The new system no longer incorporates a discount on the contributions to be paid; rather, a payment is made that is independent of the level of the contributions, so that small employers can also fully benefit from the compensation.

Providing in-work benefits to workers

In order to encourage employment at an older age, the Netherlands has been providing a work bonus, i.e. an additional tax credit for older people aged 61-65 who are employed or self-employed (with a maximum of EUR 1 750 per year for a maximum duration of three years). The tax credit is lowered if the person works less than 36 hours per week. Due to its high deadweight loss by subsidising people who would have continued to work anyway, the government decided to remove this work bonus starting in January 2015 for new cases. Older workers that are already entitled to the work bonus, i.e. those who meet the work requirements and were born in 1951, 1952 or 1953, are still eligible to receive the tax credit until they reach pension age. From 2018 onwards, no one will be entitled to the work bonus.

A tax discount is possible for individuals who want to start their own business but who receive social welfare payments because of occupational disability. The trend is expected to continue and in fact should be better addressed by Dutch legislation in light of occupational health and safety and employability, as these people are often uninsured and not aware of their rights and responsibilities. This is worrying because in the years since the economic crisis of 2008, the number of self-employed workers in the Netherlands has significantly increased, particularly older workers.

3.3. Enhancing job quality for older workers

Strengthening workplace safety and physical and mental health

The Inspectorate of the Ministry of Social Affairs and Employment, which started its activities on 1 January 2012, mentions in its Strategy Plan for 2013-2014 the sustainable employability of (older) workers as one of its main targets. One of the goals is to reduce sick leave and disability by improving working conditions and addressing health risks – in particular in the construction sector, which has a high physical workload. It focuses on timely prevention, early intervention, and early-stage reporting of risks.

In 2012, the SER issued advice on the System of Healthy and Safe Working. This document refers to older workers and occupational diseases, as older workers are at greater risk of developing such diseases due to accumulated stress. The advice also recognises that timely registration of occupational diseases helps to plan early intervention and develop and implement prevention measures. Prevention policy is described as a broad set of measures addressing working conditions, sick leave prevention and reintegration, but also human resources management instruments and age-aware personnel policies (age management). Moreover, sustainable employability is discussed in relation to co-operation between occupational health physicians and general health care workers to improve prevention. The insufficient number of occupational physicians is mentioned as a bottleneck in reintegration and coaching services for workers who became sick.

Reducing the incidence of arduous/hazardous work

There are strong financial incentives for employers in the Netherlands to ensure that they comply with the Occupational Safety and Health (OSH) legislation, contribute to OSH policy, use protective equipment and report on dangerous or risky situations (Skriabikova, Kuipers Cavaco and Fries-Tersch, 2016). Companies with more than 25 employees must appoint a prevention officer, whose role is the daily supervision of OSH matters (an employer can perform this task themselves in smaller companies). The Risk Inventory and

Assessment of a company must be agreed upon by a certified OSH expert or service and the employees' representative body or the Works Council. Each organisation, no matter how small, must have at least one person who has followed a basic first aid course.

In line with the Sustainable Employability Programme introduced in 2012, a four-year campaign was launched in 2014 to raise awareness about mental health and stress at work, engaging employers and employees in a dialogue and persuading them to take effective and timely action. The campaign was evaluated and found to be useful and important by two-thirds of employees and 60% of employers. During a special campaign week held in November 2014, 50 organisations and companies participated, organising events to prevent work-related stress. Since mid-2016, the spotlight has turned to bullying at the workplace. The programme concluded at the end of 2017.

About 14% of the Dutch working people have complained of burnout, and one in six working people suffer from workplace harassment. In 2017, the action team "Working Good and Healthy" was launched in order to reduce the occurrence of these afflictions. About twenty organisations in various sectors are participating. The action team will advise in ways suitably tailored to each participant on how to prevent and resolve the two problems. Results are expected by the end of 2019.

Balancing professional and family responsibilities

The leave arrangements and childcare allowance in place in the Netherlands make it easier for employees to combine work and care. Care leave is available for employees taking care of sick (short- and long-term leave) and dependant (long-term leave) relatives and others in the social environment. Short-term leave is two times the weekly working hours with 70% continued payment of wages. Long-term leave is six times the weekly working hours and is statutorily unpaid if there are no CAs applicable.

The Dutch Flexible Work Act is also important in this context. Pursuant to this act, employees have the right to temporarily or permanently increase or decrease their agreed number of working hours and to arrange their work schedule differently. The employer can only refuse the employee's request in the case of important business or operational interests. Employees have also the right to ask permission to work elsewhere (for example, at home or somewhere outside the business premises). The employer can refuse this provided that they discuss this with the employee and state clear reasons for the refusal.

Facilitating job mobility

Sector Plans initiated by the social partners aim at stimulating inter-sectoral mobility (see Section 2.5). In 2013, the Netherlands embarked on the temporary, subsidised sector plans programme, through which sectors of the Dutch economy could write a plan to tackle labour market problems in their sector. Over 100 sector plans were eventually subsidised in part (in principle half of total cost) by the government, after an assessment by the Ministry of Social Affairs and Employment. Many different measures are contained in the plans, reflecting specific problems in each sector. The programme has led to some good practices concerning job mobility.

One example is in the welfare and childcare sector, where a decrease in employment was expected. The sector aimed to prepare for this decrease by promoting the mobility of its current employees. Through their sector plan, thousands of employees have participated in personal career interviews, obtained advice on career trajectories and participated in job mobility awareness events. Another example is in the nursing home, care home and domestic care sector. The sector aimed to promote the mobility of its current employees through giving career advice, providing advice on personal trajectories aimed at job mobility, providing

training in employment interview skills, and increasing awareness of the benefits of job mobility. Thousands of employees have participated in one or more of these measures.

Table 1. Late Career Scoreboard, the Netherlands, 2006 and 2016

	Netherlands		EU28 ^a		OECD ^a	
	2006	2016	2006	2016	2006	2016
Demographic situation						
-- Old-age dependency ratio ^b	0.23	0.31	0.28	0.32	0.23	0.28
-- Effective labour force exit age ^c (years) Men	60.9	63.5	62.0	63.4	63.6	65.1
Women	61.0	62.3	60.5	62.0	62.3	63.6
Employment						
-- Employment rate, 50-74 (% of the age group)	42.2	49.5	38.3	45.4	47.0	50.8
of which 50-54	76.5	80.3	73.1	77.9	73.8	75.7
55-64	45.7	63.5	43.3	55.3	52.7	59.2
65-69	8.1	13.1	9.1	12.1	20.3	25.5
70-74	4.2	6.0	4.4	5.5	12.0	14.6
-- Gender gap in employment, 55-64 ((men-women)/men)	0.37	0.26	0.34	0.21	0.32	0.25
Job characteristics						
-- Incidence of part-time work, 55-64 (% of total employment in the age group)	48.3	47.4	22.1	22.2	20.3	21.1
of which voluntary 55-64 (% of part-time work in the age group)	96.1	91.5	85.4	78.9	87.3	85.2
Average number of weekly hours worked	15.8	17.5	17.1	17.5	16.6	16.9
-- Incidence of temporary work, 55-64 (% of employees in the age group)	6.6	7.1	6.9	6.7	8.9	7.9
-- Incidence of self-employment, 55-64 (% of total employment in the age group)	20.6	21.1	24.1	19.7	38.0	32.8
-- Full-time earnings, 55-64 relative to 25-54 (ratio)	-	-	-	-	1.09	1.10
Dynamics						
-- Retention rate ^d after 60 (% of employees t-5)	-	60.0	37.1	48.8	40.3	50.3
-- Hiring rate, ^e 55-64 (% of employees in the age group)	1.7	5.1	6.1	5.8	9.2	9.1
Joblessness						
-- Unemployment rate, 55-64 (% of the labour force aged 55-64)	4.3	7.2	6.1	6.4	4.3	4.6
-- Incidence of long-term ^f unemployment, 55-64 (% of total unemployment in the age group)	70.9	69.9	49.8	63.7	26.3	44.3
-- Marginally attached workers, ^g 55-64 (% of population in the age group)	2.3	2.6	2.4	1.9	1.2	1.2
Employability						
-- Share of 55-64 with tertiary education (% of population in the age group)	24.6	27.4	17.2	22.9	20.0	26.2
-- Participation in training, ^h 55-74 (% of employed in the age group)	9.0	15.7	-	8.5	-	-
Relative to employed persons aged 25-54 (ratio)	0.46	0.69	-	0.66	-	-

a) Weighted averages with the exception of the share with tertiary education.

b) The ratio of the population aged 65 and over to the population aged 20-64.

c) Effective exit age over the five-year periods 2001-2006 and 2011-2016. The effective exit age (also called the effective age of retirement) is calculated as a weighted average of the exit ages of each five-year age cohort, starting with the cohort aged 40-44 at the first year, using absolute changes in the labour force participation rate of each cohort as weights.

d) All employees currently aged 60-64 with job tenure of five years or more as a percentage of all employees aged 55-59 five years previously.

e) Employees aged 55-64 with job tenure of less than one year as a percentage of total employees.

f) Unemployed for more than one year.

g) Persons neither employed, nor actively looking for work, but willing to work and available for taking a job during the survey reference week.

h) Participation in formal and non-formal training in the last four weeks.

Source: OECD estimations from the *OECD Employment Database*, the *OECD Earnings Distribution Database*, *OECD Education at a Glance* and the *Eurostat Database on Education and Training*.

Table 2. Implementing ageing and employment policies in the Netherlands, 2007 to mid-2017

1. Rewarding work and later retirement	
1.1. Enhancing incentives to continue working at an older age	
<i>Raising the statutory age of retirement</i>	+
<i>Facilitating phased retirement</i>	+
<i>Better combining of pensions (or partial pensions) and work income</i>	+
<i>Rewarding longer careers</i>	+
1.2. Towards restricted use of early retirement schemes	
<i>Restricting access to publicly funded early retirement schemes</i>	+
<i>Introducing specific provisions for arduous/hazardous work</i>	+
1.3. Preventing welfare benefits from being used as alternative pathways to early retirement	
<i>Unemployment (insurance and assistance) benefits</i>	+
<i>Disability benefits</i>	++
<i>Social aid</i>	+
2. Encouraging employers to retain and hire older workers	
2.1. Preventing discrimination in employment on the basis of age	
<i>Launching public awareness campaigns</i>	++
2.2. Taking a balanced approach to employment protection by age	
<i>Implementing age-neutral measures</i>	+
2.3. Discouraging mandatory retirement by employers	
<i>By law in general and by sector/occupation, private/public sector, region</i>	/
2.4. Encouraging the social partners to implement better retention and hiring mechanisms targeted at older workers	
<i>For all older workers</i>	++
<i>Review of the use of seniority wages</i>	/

2.5. Encouraging good practice in collective labour agreements and/or by individual employers/industries in managing an age-diverse workforce	
<i>Adjusting the work responsibilities and working-time arrangements of older workers</i>	+
<i>Sharing knowledge and experience across different age groups</i>	+
3. Promoting the employability of workers throughout their working lives	
3.1. Enhancing participation in training by workers in their mid- to late careers	
<i>Promoting lifelong learning and development of the adult vocational education and training system</i>	+
<i>Setting up mechanisms for recognising and validating skills</i>	+
3.2. Providing effective employment assistance to older jobseekers	
<i>Promoting an all-age mainstreaming activation approach</i>	+
<i>Targeting workers most at risk of long-term joblessness</i>	++
<i>Providing employment/hiring subsidies to firms</i>	+
<i>Providing in-work benefits to workers</i>	+
3.3. Enhancing job quality for older workers	
<i>Strengthening workplace safety and physical and mental health</i>	++
<i>Reducing the incidence of arduous/hazardous work</i>	+
<i>Balancing professional and family responsibilities</i>	+
<i>Facilitating job mobility</i>	+
<p>++ = Substantial action taken. + = Some action taken, but more could be done. +? = Some action taken, but requires further assessment. ? = Some action taken with negative impact. / = No relevant action taken. ✓ = No action needed.</p> <p><i>Source: Assessment based mainly on OECD (2014) and answers by the Netherlands to several OECD questionnaires.</i></p>	

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