

Title: Can partial retirement individualise the retirement income?

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Abstract:

We analyse the implications of retiring part-time for the financial well-being of older individuals, and whether this implies a more self-reliant financial security in retirement. When individuals retire part-time instead of full-time at the effective retirement age, the fraction of the individuals below the statutory minimum target replacement rate reduces from 80 to 9 percent at the effective retirement age, and from 30 to 19 percent at age 70. The risk of falling below the minimum target replacement rate is substantially higher for individuals with a lower number of years of pension accumulation, and for individuals living with a partner. The risk is substantially mitigated if individuals retire part-time instead of full-time.