

CYPRUS



Key policies to promote longer
working lives

Country note 2007 to 2017

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KEY POLICIES TO PROMOTE LONGER WORKING LIVES IN CYPRUS¹

(Situation 2007 to mid-2017)

According to the Late Career Scoreboard at the end of this report (Table 1), in 2016 the employment rates of workers aged 50-54 and 55-64 were at 71.4% and 52% respectively, compared with the respective EU averages of 77.9% and 55.3%. In particular, as synthesised in Table 2, Cyprus should take appropriate action to raise the statutory retirement age further and facilitate phased retirement; prevent employment discrimination on the basis of age; discourage mandatory retirement by employers; and encourage the social partners to implement better retention and hiring mechanisms targeted at older workers. That said, Cyprus has in fact taken action to reward longer careers; restrict access to publicly funded early-retirement schemes; prevent social aid and disability benefits from being used as alternative pathways to early retirement; provide effective employment assistance to older jobseekers; strengthen workplace safety and physical and mental health; and reduce the incidence of arduous/hazardous work.

1. Rewarding work and later retirement

1.1. Enhancing incentives to continue working at an older age

Introduction

The pension system in Cyprus consists of two pillars. The first is the compulsory earnings-related General Social Insurance Scheme (GSIS), which covers all employed persons in the private and public sectors as well as those self-employed. Persons not entitled to a pension or a similar payment from any other source and persons with low pensions may be entitled to a Social Pension as well as an income-tested Household Income Support Scheme implemented in 2010, in order to reduce the high level of poverty in old age.

The occupational pension system, which forms the second pillar, consists of the following:

- i. The Government Employees Pension Scheme (GEPS), which provides supplementary pensions to civil servants, employees in the education sector, the police and the armed forces. In October 2011, the GEPS was closed to newcomers to the public sector. This reform is welcome, as it eliminates more advantageous treatment of public sector employees
- ii. Pension schemes for the permanent employees of all semi-state organisations, local authorities such as municipalities and communities, and other public law authorities. In October 2011, these schemes were closed to newcomers.
- iii. Voluntary fund-based occupational pension schemes in place in single private firms or set up by collective agreements at sector level. They provide defined contribution lump-sum benefits to approximately 35% of private sector employees (European Commission, 2015).

1. This note has been produced by the Ageing and Employment Policy Team with a contribution from Nicola Duell.

There were two waves of reforms: one in 2009-2010, mainly increasing contribution rates, tightening insurance conditions for entitlement to pensions and combating old-age poverty; and another wave as a response to the debt and economic crisis (2011-12). Most of the measures during the second wave, decided in the framework of the Memorandum of Understanding between Cyprus and the Troika, focus on the fiscal sustainability of the GSIS and GEPS funds. The Memorandum of Understanding mainly includes across-the-board reductions in pension levels for retirees from the public and private sectors. These reductions take the form of special contributions, special taxes, and short-term containment of GSIS pension expenditure through suspension of the automatic indexation of pensions over the period 2013-16 and the introduction of actuarial adjustments for early retirement.

Raising the statutory age of retirement

The statutory pensionable age in the GSIS is 65 for both males and females. A pension reform in December 2012 introduced an automatic adjustment of the statutory pensionable age every five years in line with changes in life expectancy. The first adjustment is planned to be applied in 2023 (for the period 2018-23). It is expected that the statutory pensionable age will increase in the coming years.

Prior to the December 2012 reform, the GEPS compulsory retirement age was 63. Following that reform, the normal retirement age gradually increased from 63 to 65 over the period 2013-16 (different increases apply for different types of public servants).

Facilitating phased retirement

The option of phased retirement does not exist in Cyprus.

Better combining of pensions and work income

The Pension Law of 1997 allows pensioners covered by GEPS to continue working while receiving their full pension without any restrictions.² Changes introduced to the Social Insurance legislation in 2010 have generalised this rule for all pensioners. Thus, pensioners from the GSIS may also continue working while receiving full pension without restrictions. Under the Social Insurance Law, those receiving their statutory pension at the age of 63 have always been able to continue working. If they do, they continue to pay contributions until the age of 65 and the amount of their pension accrues.

There are, however, few opportunities to combine pensions with part-time work, as the availability of part-time positions and flexible forms of employment are more limited in Cyprus than in the rest of the European Union. Trade unions tend to regard such jobs as “bad” jobs (Christofides, 2012).

Rewarding longer careers

The GSIS provides incentives for prolonging working life through postponing pension entitlement and continuing to work until the age of 68. Pensions are then increased by 0.5% percent for each additional month worked.

In April 2009, stricter eligibility conditions for the statutory social insurance pension were introduced gradually until January 2012; these increased the minimum requirement for claiming a pension from three

2. A public servant who has retired under GEPS earns new rights (also under GEPS) only if they return to a permanent post in the public service. If they leave the public service to pursue a career in the private sector, they earn rights under GSIS.

to ten years of paid contributions. The 2012 pension reform gradually extended the minimum contributory period from 10 to 15 years over the period 2013-2017.

1.2. Towards restricted use of early retirement schemes

Restricting access to publicly funded early retirement schemes

For the GSIS, early retirement at the age of 63 is possible when the applicant either: i) has paid or credited contributions for at least 70% of the number of years over the period between October 1964 (or the first day of the year they reach the age of 16, if later) and the week preceding the week of statutory pension entitlement; or ii) is entitled to a disability pension (for details see below). The 2012 pension reform introduced actuarial reductions of 0.5% per month for pensioners who wish to receive their pension earlier than the statutory pensionable age – a measure meant to discourage retirement before the age of 65 (European Commission, 2015).

The pension reform of 2012 accordingly introduced a penalty for early retirement of approximately 0.5% per month for those in both the GEPS and the Government Employees and Employees of the Broader Public Sector Including Local Authorities Pension Scheme, so as to make early retirement actuarially neutral. Also, the minimum age at which the pension and lump sum are paid to the employee have gradually been increased. Prior to this reform, early retirement was allowed from the age of 58 without any actuarial reduction in benefits.

Introducing specific provisions for arduous/hazardous work

In general, the issue of arduous/hazardous working conditions is neglected in legislation and collective bargaining. It has been argued that due to the marked predominance of the service sector, the incidence of arduous/hazardous work is low. Furthermore, the government has no incentive to introduce measures in the pension system that benefit workers with arduous or hazardous jobs, as this could be seen as “special” treatment favouring particular workers that may trigger similar demands by other, politically much stronger labour groups (Pashardes and Koutsampelas, 2016).

An exception is mining, an occupation whose workers have specific eligibility rules for pensions. Miners’ pensionable age is reduced by one month for every five months of employment, but cannot be lower than the age of 58 (article 36 of the Social Insurance Law). According to data of the Statistical Service of Cyprus, only 0.2% of the labour force was working in mines in 2015.

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

Unemployment (insurance and assistance) benefits

The unemployed may receive unemployment benefits in case of involuntary unemployment up to the age of 63 for a maximum duration of 156 days. If (and only if) they do not satisfy the insurance conditions for a statutory pension at the age of 63, they can receive unemployment benefits up to the date on which they satisfy those conditions, but in no case after the age of 65 (Pashardes and Koutsampelas, 2016). This rule favours early exit from the labour market. No recent actions have been implemented to activate the unemployed aged 63 and over, which would restrict early labour market exit.

Social aid

Income support is offered to those not eligible for unemployment benefits through the Guaranteed Minimum Income (GMI) scheme, introduced in 2014. GMI renders the safety net system in Cyprus more transparent and fairer (European Commission, 2017).³ The scheme provides income support to persons who are unemployed, employed, able-bodied and not able-bodied alike, who fall short of the minimum income threshold and fulfil other relevant eligibility criteria. Participation in the scheme requires the recipient to meet a series of job-related conditions (e.g. not refuse a job), but it is unclear how strictly these requirements are applied to older people.

Disability benefits

Different health-related benefits are in place. The *sickness benefit* is an earnings-related contributory benefit that is paid up to the age of 63, with a maximum duration of 156 days. It can be extended by another 156 working days under certain circumstances. As with unemployment benefits, in case claimants do not satisfy the insurance conditions for a statutory pension at the age of 63, sickness benefits can be received up to the date on which they satisfy the relevant insurance conditions, but in no case after the age of 65.

The *injury benefit* is paid to employed people incapable of working as a result of employment accidents or occupational diseases. This benefit is payable for up to 12 months from the date of the accident or onset of the disease.

The *disability* benefit is given to employed people who have had certain types of employment injuries. It takes the form of either a pension or a lump sum (called a disability grant), depending on the degree of disability. Recipients should be suffering at least a 10% loss of physical or mental faculty – except for disability due to pneumoconiosis, in which case the corresponding figure is 1% (Pashardes and Koutsampelas, 2016). A disability grant is payable to employed persons whose degree of disability is between 10-19%. A disability pension is payable to employed persons whose degree of disability is 20% or more and it is payable for life, even if the beneficiary continues to work; it ceases only when the beneficiary recovers or if the person is entitled to a higher statutory pension. In cases of occupational diseases, a degree of disability between 1% and 19% is also considered as a disability of 20%; thus a disability pension and not a disability grant is paid.

In addition to the health benefits above, a disability pension is granted in the case of an insured person who suffers a medical condition that seriously affects their capacity to work. Eligibility here is defined as being unable to obtain earnings from work that reasonably can be expected to be performed, amounting to more than one-third of the income typically earned by a healthy person in the same occupation or category and education in the same area. In the case of claimants between the ages of 60 and 63, the corresponding figure is one-half of the aforesaid amount.

If a worker participates in vocational or adaptation/adjustment training, the amount of disability pension to which the beneficiary is entitled will increase. In that case, even if the disability is under 100%, the pension is calculated on the basis of 100% disability. The costs of this vocational or adaptation/adjustment training are covered by the Social Insurance Scheme (Charalambous and Fries-Tersch, 2016). It would be helpful to monitor whether this financial incentive has increased participation in vocational rehabilitation, and whether the measures have increased the employment probability of beneficiaries.

3. In 2017, approximately 5 300 persons aged 55 to under 63 and 1 100 aged 63-65 received GMI.

Vocational rehabilitation in Cyprus mainly focuses on people with disabilities who are currently unemployed, rather than also enabling workers who have suffered illness or impairment to remain in work. Further, the number of unemployed people participating in vocational rehabilitation measures remains low, but has been relatively stable despite massive cuts in active labour market programmes (ALMPs) as a response to the public debt crisis (Eurostat, LMP database). From 2014, vocational skills and the capacity of persons with disabilities to work can be assessed at the Disability Assessment Centre of the Department for Social Inclusion of Persons with Disabilities. Composed of multidisciplinary committees of doctors and rehabilitation professionals, the Centre can assess and certify any type of disability (physical, sensory, intellectual or mental) together with the needs and the ability to work, utilising formal Assessment Protocols based on the International Classification of Functioning, Disability and Health of the World Health 2001 (Charalambous and Fries-Tersch, 2016). It would be useful to monitor the results, to assess the effectiveness of this new process in promoting the employment of persons with disabilities.

2. Encouraging employers to retain and hire older workers

2.1. Preventing discrimination in employment on the basis of age

Implementing current or new legislation

The Equal Treatment in Employment and Occupation Law enacted in 2004, together with the Laws for Persons with Disabilities (2000-2015) – in line with EU Directive 2000/78/EC – ensures protection from discrimination in the workplace on a number of grounds, including age and disability. These laws cover all stages of the employee-employer relationship, such as access to employment, promotions, benefits stemming from the position of work, working conditions (including pay) and dismissals. According to provisions in the 2004 law on combating racism and other discrimination, the ombudsman is responsible for the promotion of equal opportunities irrespective of age, as well as race or ethnicity, community, language, ethnicity, religion, political or other beliefs, disability, and sexual orientation (Charalambous and Fries-Tersch, 2016). It would be useful to monitor how well this law is implemented specifically with respect to age discrimination.

The competent authority has received several complaints on age discrimination, where the Public Employment Service (PES) referred jobseekers to employers who refused to employ them because of advanced age. In most of the cases a warning letter was sent to the employer, while in one case presented to the Nicosia District Court, the Court fined an employer found guilty EUR 250 (case 30338/14, Nicosia District Court).

Launching public awareness campaigns

In 2005 the Council of Ministers adopted a ten-year action plan for older people for the period 2005-15, and established a monitoring committee to follow up on its implementation. The action plan had nine pillars, including access to knowledge, education and lifelong learning, health, and solidarity among generations (Charalambous and Fries-Tersch, 2016). Following this, a new Strategy for Older Persons covering the period 2017-20 is being drafted by the Ministry of Labour, Welfare and Social Insurance (MLWSI). The new strategy will incorporate four goals: 1) a longer working life is encouraged while ability to work is maintained; 2) participation, non-discrimination and social inclusion of older persons are promoted; 3) dignity, health and independence in older age are promoted and safeguarded; 4) intergenerational solidarity is maintained and enhanced.

2.2. Taking a balanced approach to employment protection by age

Implementing age-neutral measures

No specific action relevant to older workers has been taken. It would be useful to scrutinise existing laws and regulations on employment protection, such as dismissal rules, severance payment and other issues that could prove barriers to recruiting older workers.

2.3. Discouraging mandatory retirement by employers

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

With GEPS the mandatory age of retirement differs among the various categories of employees; for the vast majority though, it is 65. The rules of mandatory retirement should be reviewed.

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

For all older workers

The MLWSI is currently implementing a scheme to provide incentives to employers to hire unemployed persons over the age of 50. The first call for applications was made in November 2016, and the second call in May 2017; a total of 560 persons were employed during these first two calls. A third call of application was made in August 2017.

Review of the use of seniority wages

There is no legal framework concerning seniority wage rules in the private sector. It would be useful to scrutinise existing regulations and collective agreements to detect whether they contain rules that base wages on age or length of service where the criterion of increased performance does not apply.

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

For all workers

A good practices guide for the employment of older workers was published by the Hellenic Network for Corporate Social Responsibility and Opinion Action Services Ltd., as part of the campaign *Grey Hair – Experienced Hands*. The guide cites several examples of methods for ensuring in practice good-quality and efficient employment on an equal footing for older workers, referring to relevant practices across Europe. Apart from the domain of workplace health and safety, good practice examples cover measures and practices relating to combating discrimination, lifelong learning and training, work flexibility and organisation, corporate responsibility and diversity of the work environment, as well as retirement. In addition to the good practice guide, the campaign also included actions such as seminars that were carried out in co-operation with public partners and other interested bodies; the publication of informative leaflets; and an international conference on active ageing (Charalambous and Fries-Tersch, 2016). It is also advisable to detect and share good practices of companies operating in Cyprus.

According to a survey carried out for Eurobarometer in 2014, 28% of employed people and people with work experience indicated that measures to adapt the workplace for older people had been put in place at their workplace (as compared to the 31% EU-28 average) (European Commission, 2014). There is no information on precisely which type of measure has been implemented in Cyprus.

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

Major players in ALMPs are the PES, and the Cyprus Productivity Centre (CPC) of the MLWSI, as well as the Human Resource Development Authority (HRDA), a semi-governmental organisation that is related to the government through the MLWSI. The HRDA is mainly financed by payroll-related contributions from employers. Many of its various programmes address employed persons.

Schemes co-financed by the European Social Fund during the programming period 2007-13 were implemented to improve the employability of jobless and economically inactive women. Other schemes aimed at enhancing the competitiveness of micro enterprises and improving the productivity of small and medium-sized enterprises (Christofides, 2014). Due to the economic crisis, training measures have been increasingly directed towards the unemployed (Christofides, 2015).

Also as a response to the economic crisis, the HRDA in co-operation with the MLWSI put forward during 2009-14 a Special Prevention Action Plan, comprised mainly of the following measures that have been implemented:

- i. *In-company/on-the-job training programmes* – Under this measure, the HRDA helped employers retain their workers by having them participate in training. In particular, the HRDA helped employers to design and implement training programmes that meet the (special) needs of their workers, and that are eligible to be subsidised.
- ii. *Training programmes for upgrading the skills of unemployed persons* – The HRDA, in partnership with the PES, the CPC and the Higher Hotel Institute of Cyprus (HHIC), organised upgrading training programmes for unemployed people in order to deal with the effects of the crisis.
- iii. *Accelerated initial training programmes* for newcomers and other unemployed persons in occupations that are in demand.

During the period 2015-16, the HRDA implemented the following training programmes in the area of ALMPs:

- i. *Training Programmes for the Unemployed* – These programmes aim at providing the unemployed with training opportunities for the acquisition, enrichment and upgrading of their knowledge and skills, according to labour market needs. During 2016, six training programmes have been implemented for specialisations in the hotel and catering sector. Nine more training programmes for specialisations in that sector directed towards GMI recipients have been implemented in 2017. Furthermore, three training programmes for specialisations related to the provision of care services have been implemented in 2017.
- ii. *The Scheme for the Training of Long-term Unemployed in Enterprises/Organisations* – This programme offers training opportunities to the long-term unemployed aged 30-60, to help them enter/re-enter employment with necessary knowledge and skills according to the needs of specific job positions.
- iii. *Provision of Incentives for Hiring GMI Recipients Combined with a Three-Month Training Period* – This scheme offers practical training and work experience opportunities to GMI recipients in order to improve their employability and prepare them for employment in a specific

enterprise/organisation of the private sector. The goal is to give them 3 months' training and 12 months' employment. The running period is from 2016 to 2018.

- iv. *Job Placement of GMI Recipients for the Acquisition of Work Experience in the Public and Broader Public Sector*– The aim of the scheme is to provide work experience opportunities to GMI recipients 28-40 years of age who are capable of working, in order to improve their employability and help them re-enter the labour market. The running period for this scheme is from 2017 to 2018. GMI recipients will be placed in the public and broader public sector for six months while they receive their GMI benefit.

The HRDA has set up a comprehensive system, designed by independent external consultants, to evaluate the impact of its activities on the economy of Cyprus. Annual evaluations, which include field research by independent consultants, include examining the employment status of people who participated in training activities.

- i. Post-Secondary Institutes of vocational education and training (PSIVET) began operating in November 2012, offering secondary education graduates and young adults the opportunity of further education and training at a level not available before.⁴ The programmes offered were especially designed, following consultation with the social partners and stakeholders, to respond to the needs of emerging economic sectors and general labour market needs.

Setting up mechanisms for recognising and validating skills

No specific action relevant to older workers has been taken.

3.2. Providing effective employment assistance to older jobseekers

Promoting an all-age mainstreaming activation approach

Modernisation of the PES during the past decade has improved access to the labour market through expanding the geographical distribution of services, the use of IT to monitor the labour market, and enhanced capacity for treating special groups (Republic of Cyprus, 2016). Expenditures on labour market services decreased between 2007 and 2014, but increased again between 2014 and 2015 (Eurostat LMP database). Expenditures on ALMPs more than quadrupled between 2007 and 2011 and then declined substantially in 2012, from EUR 50 million to EUR 21 million in 2015. The number of participants in ALMPs peaked in 2011 with nearly 9 800 participants. The number fell to 5 500 in 2013 and then rose to 8 500 in 2015.

In the decade prior to the debt and economic crisis in Cyprus (in 2011/12), the focus of ALMPs was set on especially encouraging the labour market participation of women, youth, older people and marginalised groups. Forms of employment that had been relatively scarce (e.g. flexible and part-time contracts) were encouraged, as were training and entrepreneurship. The largest programme involved hiring incentives. The focus of ALMPs then changed because of the crisis. The relatively short duration of unemployment insurance benefits in Cyprus, combined with the lack of eligibility for new entrants, meant that programmes were needed to address the problem of support for ineligible individuals (Christofides, 2014).

4. PSIVET programmes are classified at Level 5 of International Standard Classification of Education (ISCED) – the first stage of tertiary education.

Targeting workers most at risk of long-term joblessness

Since 2010, there are subsidies available for hiring the unemployed focused on disadvantaged groups, including jobless people over 50 (see more details below).

Providing employment/hiring subsidies to firms

Between 2010 and 2014, a hiring scheme for disadvantaged groups (including the older unemployed), co-funded by the European Social Fund (ESF), provided a subsidy of 65% of the annual wage cost, with a maximum amount of EUR 13 000 per person per year, for the first 12 months of employment (Charalambous and Fries-Tersch, 2016). Additionally, an allowance for transportation costs to and from the workplace was offered to workers. The number of participants in this scheme more than halved between 2012 and 2015 (Eurostat, LMP database). An evaluation of the scheme is not available, but hiring subsidies for older workers are still in place.

In 2016, for the unemployed aged 50 and older, there has been a specific hiring subsidy scheme in place, co-funded by the ESF. Subsidies cover 70% of the employer's total costs per person (wages + contributions) for a period of ten months, with a limit set at EUR 8 400. The employer is obliged to employ the worker for 12 months, i.e. 10 months with subsidy and 2 months without subsidy.

Providing other active labour market policies

No other new action directed towards enhancing labour market integration prospects for the older unemployed has been implemented. Vocational rehabilitation measures may have an impact on the chances of the older unemployed, as the older unemployed are more likely to have health problems. Opportunities to prepare older workers to become self-employed under decent conditions should be explored.

3.3. Enhancing job quality for older workers

Strengthening workplace safety and physical and mental health

Evidence from the 2015 European Working Conditions Survey shows that a considerable proportion of workers in Cyprus report that they are exposed to a series of physical risks that could affect their health. On average, 24.5% of employees report exposure to vibrations from tools and machinery, and this percentage rises to 35.7% in the 50+ age group. The corresponding (unweighted) averages for the European Union are 21.7% and 21%, respectively. Further, 14.4% report exposure to second-hand tobacco smoke, while the corresponding figure for the EU is only 7.5%. Other job-related factors that are perceived as affecting health in Cyprus are comparable to those in other EU countries (Pashardes and Koutsampelas, 2016).

Cyprus designed the Strategy of Cyprus on Safety and Health at Work for the period 2007-12, which aimed, among other things, to reduce the frequency of occupational accidents by 25%. Based on the strategy, an Action Plan for the establishment and operation of a Workers Health Surveillance System was developed by the members of the Pancyprian Safety and Health Council. The Action Plan required the operation of a Labour Inspection System and Work Health Surveillance System that were suitable and adequate; introducing the principle of promoting health at work; and the promotion of procedures to report on occupational diseases and to collect relevant data and information. The results of the strategy and its Action Plan were considered successful – the incidence rate of work accidents decreased by over 27% between 2007 and 2012. The Cypriot Strategy for Safety and Health at Work 2013-20 aims to continue improvements in the area of safety and health at workplaces. Moreover the new strategy, agreed in July 2014, plans to promote close co-operation with the social partners and other stakeholders; enhance scientific progress and research; promote prevention; foster a culture of safety and health; mainstream

safety and health at work in other policy sectors; introduce and apply an appropriate health surveillance system; and provide an adequate labour inspection system. The strategy specifically focuses on micro enterprises – i.e. those with fewer than ten employees – which represent the vast majority of businesses in Cyprus. Moreover, the new strategy emphasises the dangers of psychosocial factors and musculoskeletal disorders (Charalambous and Fries-Tersch, 2016).

In Cyprus, social dialogue at enterprise level plays an important role in the implementation of measures for the protection of workers' health and safety. However, occupational health services are overall still in a very early stage of development and are, at the moment, provided only for a limited number of enterprises. Obviously, the social partners could do more in this area.

The European Agency for Health Safety recommends establishing safety committees in all undertakings with ten or more employees. The members of these safety committees would consist of safety representatives elected at enterprise/company level; the employer or their representative; and any person with specific duties and/or responsibilities related to the safety and health of workers (e.g. occupational physician). Safety committees would cover a broad range of activities: they would submit suggestions to the employer concerning measures to improve working conditions and prevent occupational accidents; handle complaints from employees in relation to safety, health and well-being in the enterprise; and contribute to the development of safety regulations of the workplace.

Reducing the incidence of arduous/hazardous work

The Department of Labour Inspection of the MLWSI, in its capacity as focal point of the European Agency for Health and Safety at Work for Cyprus, is participating in the Agency's two-year campaign (2016-17) on "Healthier Workplaces for all Ages". This campaign aims to a) promote sustainable work and healthy ageing from the beginning of working life; b) prevent health problems throughout working life; c) provide ways for employers and workers to manage occupational safety and health given an ageing workforce; and d) encourage the exchange of information and good practices.

As part of this campaign, the Cyprus Safety and Health Association (CYSHA) undertook a study of the Ageing of the Cyprus Workforce with regard to Safety and Health at Work. The results of this survey were presented in the Extended Partnership Meeting of the Social Partners, organised by the Department of Labour Inspection on in September 2017.

Balancing professional and family responsibilities

Taking up care responsibilities for grandchildren as well as looking after older parents represents an important employment barrier, in particular for older women (Christofides, 2012). As a result, women less frequently choose to reach retirement age with the right to a full pension than men (27.7% vs. 38.8%), while a significant proportion of them stay out of the labour market (or choose to work part time) due to caring responsibilities (Labour Force Survey 2012) (Pashardes and Koutsampelas, 2016).

The Social Welfare Services of the MLWSI are currently operating six state nurseries. Over the years priority has been given to providing accessible, affordable and quality social care programmes at local level with the involvement of local stakeholders. In this area, the MLWSI implements the State Aid Scheme, through which NGOs and local authorities may receive state aid based on certain criteria for the development and functioning of quality social care programmes (i.e. childcare services, long-term social care services for the elderly and persons with disabilities, counselling services). In 2016, 163 organisations received state aid for the operation of 252 social care programmes (of which 123 are for children) at local level, with a total budget of approximately EUR 7 million.

The Part-Time Workers (Prevention of Unfair Treatment) Law, in force since 2002, protects part-time employees and flexible forms of employment; promotes the reconciliation of family and working life; safeguards employees' rights to freely opt for part-time work; and prohibits unfair treatment of part-time workers in relation to employees in full-time employment, regarding the terms and conditions of employment (Republic of Cyprus, 2016).

Table 1. Late Career Scoreboard, Cyprus, 2006 and 2016

	Cyprus		EU28 ^a		OECD ^a	
	2006	2016	2006	2016	2006	2016
Demographic situation						
-- Old-age dependency ratio ^b	0.20	0.24	0.28	0.32	0.23	0.28
-- Effective labour force exit age ^c (years) Men	66.9	66.7	62.0	63.4	63.6	65.1
Women	59.9	61.6	60.5	62.0	62.3	63.6
Employment						
-- Employment rate, 50-74 (% of the age group)	47.3	43.9	38.3	45.4	47.0	50.8
of which 50-54	74.4	71.4	73.1	77.9	73.8	75.7
55-64	53.6	52.0	43.3	55.3	52.7	59.2
65-69	16.6	13.2	9.1	12.1	20.3	25.5
70-74	10.1	6.5	4.4	5.5	12.0	14.6
-- Gender gap in employment, 55-64 ((men-women)/men)	0.49	0.29	0.34	0.21	0.32	0.25
Job characteristics						
-- Incidence of part-time work, 55-64 (% of total employment in the age group)	10.1	13.0	22.1	22.2	20.3	21.1
of which voluntary 55-64 (% of part-time work in the age group)	83.2	26.2	85.4	78.9	87.3	85.2
Average number of weekly hours worked	19.1	17.6	17.1	17.5	16.6	16.9
-- Incidence of temporary work, 55-64 (% of employees in the age group)	4.5	9.3	6.9	6.7	8.9	7.9
-- Incidence of self-employment, 55-64 (% of total employment in the age group)	36.0	19.8	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)	47.8	50.7	37.1	48.8	40.3	50.3
-- Hiring rate, ^e 55-64 (% of employees in the age group)	8.8	10.9	6.1	5.8	9.2	9.1
Joblessness						
-- Unemployment rate, 55-64 (% of the labour force aged 55-64)	3.3	11.5	6.1	6.4	4.3	4.6
-- Incidence of long-term ^f unemployment, 55-64 (% of total unemployment in the age group)	23.5	81.0	49.8	63.7	26.3	44.3
-- Marginally attached workers, ^g 55-64 (% of population in the age group)	1.6	4.0	2.4	1.9	1.2	1.2
Employability						
-- Share of 55-64 with tertiary education (% of population in the age group)	15.2	27.1	17.2	22.9	20.0	26.2
-- Participation in training, ^h 55-74 (% of employed in the age group)	4.4	4.2	-	8.5	-	-
Relative to employed persons aged 25-54 (ratio)	0.44	0.55	-	0.66	-	-

- Weighted averages with the exception of the share with tertiary education.
- The ratio of the population aged 65 and over to the population aged 20-64.
- 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.
- 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.
- Employees aged 55-64 with job tenure of less than one year as a percentage of total employees.
- Unemployed for more than one year.
- Persons neither employed, nor actively looking for work, but willing to work and available for taking a job during the survey reference week.
- 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 Cyprus, 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 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>Social aid</i>	+
<i>Disability benefits</i>	+
2. Encouraging employers to retain and hire older workers	
2.1. Preventing discrimination in employment on the basis of age	
<i>Implementing current or new legislation</i>	/
<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>For all workers</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 other active labour market policies</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>	+
<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:</i> Assessment based mainly on answers by Cyprus to the 2016-2017 OECD questionnaire.</p>	

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