

Employer-provided pensions, incomes, and hardship in early transitions to retirement

Kevin Milligan
University of British Columbia

April 2013

Abstract:

Canada and other countries are changing the age of public pension eligibility. A policy concern that arises is the welfare of those exiting the labour force before the age of pension eligibility. This paper addresses the welfare implications of early retirements by examining who isn't working at older ages, how they form their incomes, and how those exiting the labour market early avoid low income. The paper finds that around three quarters of those not working are able to avoid low-income status. The most important factors for avoiding low income are other family income sources, good health, and employment-related pension income.

Key Words: Benefits, Canada Pension Plan, Income Security, Low Income, Pension, Retirement, Seniors

JEL Codes: J26; J32