



# **ESPN Thematic Report on Retirement regimes for workers in arduous or hazardous jobs**

## **Portugal**

**2016**

Pedro Perista; Isabel Baptista  
*May 2016*



**EUROPEAN COMMISSION**

Directorate-General for Employment, Social Affairs and Inclusion  
Directorate C — Social Affairs  
Unit C.2 — Modernisation of social protection systems

*Contact:* Emanuela TASSA

*E-mail:* [Emanuela.TASSA@ec.europa.eu](mailto:Emanuela.TASSA@ec.europa.eu)

*European Commission  
B-1049 Brussels*

**European Social Policy Network (ESPN)**

**ESPN Thematic Report on  
Retirement regimes for  
workers in arduous or  
hazardous jobs**

**Portugal**

**2016**

*Pedro Perista*

*Isabel Baptista*

The European Social Policy Network (ESPN) was established in July 2014 on the initiative of the European Commission to provide high-quality and timely independent information, advice, analysis and expertise on social policy issues in the European Union and neighbouring countries.

The ESPN brings together into a single network the work that used to be carried out by the European Network of Independent Experts on Social Inclusion, the Network for the Analytical Support on the Socio-Economic Impact of Social Protection Reforms (ASISP) and the MISSOC (Mutual Information Systems on Social Protection) secretariat.

The ESPN is managed by LISER and APPLICA, with the support of OSE - European Social Observatory.

For more information on the ESPN, see:

<http://ec.europa.eusocialmain.jsp?catId=1135&langId=en>

***Europe Direct is a service to help you find answers  
to your questions about the European Union.***

**Freephone number (\*):**

**00 800 6 7 8 9 10 11**

(\*) The information given is free, as are most calls (though some operators, phone boxes or hotels may charge you).

## **LEGAL NOTICE**

This document has been prepared for the European Commission, however it reflects the views only of the authors, and the Commission cannot be held responsible for any use which may be made of the information contained therein.

More information on the European Union is available on the Internet (<http://www.europa.eu>).

---

# Contents

SUMMARY/HIGHLIGHTS ..... 4

1 OVERALL DESCRIPTION OF THE POLICY MIX TARGETED AT WORKERS IN ARDUOUS OR HAZARDOUS JOBS ..... 5

2 PENSION RULES FOR WORKERS IN ARDUOUS OR HAZARDOUS JOBS ..... 5

3 RETIREMENT PATTERNS AND RETIREMENT INCOME OF WORKERS IN ARDUOUS OR HAZARDOUS JOBS ..... 8

REFERENCES ..... 11

## Summary/Highlights

There is no precise definition of arduous or hazardous jobs in the Portuguese legal framework. Decree-Law 187/2007, on pensions, establishes a special scheme for anticipating the statutory retirement age for those with a particularly arduous or wearing professional activity specifically recognised by law. Different pieces of legislation provide the basis for a list of professional activities considered as arduous or hazardous. Thus, there is no overall framework for workers in arduous or hazardous jobs (WAHJ) in Portugal, and indeed this “category” as such, is not well defined. In any case, these professions will be referred to as WAHJ for the purposes of this report.

Over the last years there have been several changes to the statutory retirement age – currently set at 66 years and 3 months – and access to early retirement. Reforms that set a penalty for early retirement apply to all workers, including WAHJ. However, reforms aimed at raising the pension age did not affect WAHJ. Thus the favourable rules for accessing old-age pension for WAHJ – i.e. the possibility to retire early, between the ages of 50 and 60 depending on the category without penalties – has been maintained despite turmoil and restrictions on early retirement. However, WAHJ are also subject to incentives for labour market retention, such as accrual of pension rights beyond statutory retirement age.

Nonetheless, at present, even though WAHJ are offered a policy mix for their end-of-career options, current policies are generally deemed to be facilitating their labour market exit rather than prolonging their working life. The latter may indeed occur but it is not thought to result from particular enticements, such as initiatives for career orientation or reactivation policies, but to a large extent from the individual wish of prolonging working life and/or accruing pension rights.

WAHJ do not seem to be the focus of specific attention from relevant stakeholders and current policy debate about pensions and early retirement does not focus on WAHJ. Perhaps as a consequence, there are no readily available data or studies on WAHJ, which prevents any analysis e.g. of the evolution of their number throughout time or if they are being offered in-job resources or other jobs.

WAHJ, of which four out of five are men, tend to retire earlier compared to all other pensioners – especially between the ages of 55 and 60 – using the early retirement pathway. They also tend to have a higher retirement income than all pensioners.

However, there is an overall lack of data and studies which makes issuing evidence-based policy recommendations difficult. In any case, any reflection on retirement regimes for WAHJ should start by clearly defining the reasons why these workers should be entitled to special schemes. In other words, it should be clear whether WAHJ are entitled to special retirement schemes because their job was classified as arduous and/or hazardous.

If this were the case, then these workers could be ‘rewarded’ with the possibility to retire early without penalties as is the current situation. This would also be the case if they were considered unfit for performing any job after a certain age. Within this scenario, a possible policy change would be to apply the overall changes in retirement rules, such as the application of the sustainability factor, to WAHJ.

A second option would be to consider that WAHJ are no longer fit for performing their job after a certain age, but that having worked in an arduous and/or hazardous job does not entitle them to early retirement. Within this scope, two further options seem possible. WAHJ could be integrated into a specific group subject to a lower tax burden, for instance, with the objective of ‘rewarding’ a shorter period of insurance contributions while performing a specific job. Or it could be considered that despite not being entitled to early retirement and/or to a lower tax burden, WAHJ should be offered possibilities for continuing their working life such as career reorientation or reactivation measures.

A final option would be to treat WAHJ like all other workers.

## 1 Overall description of the policy mix targeted at workers in arduous or hazardous jobs

There is no precise definition of arduous or hazardous jobs in the Portuguese legal framework. Decree-Law 187/2007, on pensions, establishes a scheme for anticipating the statutory retirement age for those with a particularly arduous or wearing professional activity specifically recognised by law.

Thus, different pieces of legislation provide the basis for a list of professional activities considered as arduous or hazardous in Portugal. Table 1, below, describes this list with regards to the general social security scheme, hence not including civil servants such as police officers, fire fighters or the military. Table 1 also describes the specific conditions for entering retirement attached to each of these professional activities.

Over the last years there have been several changes in access to early retirement. Law 110/2009 of 16 September<sup>1</sup> established the Social Security Contribution Regimes Code. Section V focuses on "Incentives for labour market retention", targeting both employees aged 65 or older with at least 40 years of contributions, and those entitled to anticipate their retirement age without any penalties, in light of the flexible scheme of access to old-age pension established by Decree-Law 187/2007.

Since 2012, several pieces of legislation have been approved introducing restrictions to early retirement and increasing the statutory retirement age and the penalties in case of anticipation. However, they did not introduce changes for WAHJ and most of them did not mention them specifically.

The exception is Decree-Law 167-E/2013 (31 December 2013) which notes that the changes introduced in the statutory retirement age and the penalties in case of anticipation due to the formula of calculation of the sustainability factor will not affect the pre-existing special schemes, "namely those focusing on wearing or particularly arduous jobs such miners, fishermen and professional classical and contemporary dancers, among others" (Portugal, 2013: 7056-(365).

At present, WAHJ are offered a policy mix for their end-of-career options. On the one hand, the favourable rules for accessing old-age pension have been kept despite turmoil and restrictions on early retirement. On the other hand, there are specific incentives for labour market retention that also cover WAHJ (see table 3, below). Thus, currently, policies are mostly deemed to be facilitating labour market exit of WAHJ.

## 2 Pension rules for workers in arduous or hazardous jobs

Law 4/2007 (16 January 2007) established a new Social Security Framework Law. One of the major changes introduced, within the overall aim of achieving the economic sustainability of the pensions system, was the creation of a 'sustainability factor' in the formula applied for the calculation of pensions, taking into account the average life expectancy, which has been leading to the progressive increase of the retirement age previously fixed at 65 years.

Ordinance 277/2014 (26 December 2014) set the new sustainability factors and corresponding statutory retirement age for the years 2015 and 2016. Taking into account the effects of the evolution of life expectancy at age 65, as recorded between 2013 and 2014, in the application of the formula in paragraph 3 of Article 20 of Decree Law No 187/2007 (10 May 2007), the statutory pension age in 2016 has become 66 years and 2 months.

Within the general pension scheme there are specific pension rules for WAHJ. Table 1, below, describes the specific conditions for entering retirement attached to each of the professional activities considered to be arduous or hazardous jobs.

---

<sup>1</sup> Regulated through Regulatory Decree 1-A/2011, of 3 January.

**Table 1 – Arduous or hazardous jobs in Portugal and respective specific conditions for entering retirement**

Professional activity	Conditions
<b>Miners</b>	For miners who have worked underground with 15 years of contributions, the statutory retirement age is reduced by 1 year for every 2 years of work underground, but not earlier than age 50 or age 45 in case of structural reasons
<b>Seafarers in fisheries</b>	Seafarers aged 55 if they have worked 30 years as fishermen at sea (150 days-at-sea = 1 year). If they have worked at least 15 years as fishermen the statutory retirement age is reduced by applying a coefficient of 0.33 by the number of years of service in fisheries. Seafarers aged 50 or more with premature physical wear if they have worked 40 years as fishermen at sea (273 days-at-sea = 1 year)
<b>Maritime workers of merchant navy, coastal navigation and coastal fishery</b>	Maritime workers of merchant navy, coastal navigation and coastal fisheries aged 55 with 15 years of contributions and 15 years at sea (150 days-at-sea = 1 year) Maritime workers aged 50 or more with premature physical wear if they have worked 40 years as maritime workers (273 days-at-sea = 1 year)
<b>Air traffic controllers</b>	Air traffic controllers aged 57 with 22 years of contributions
<b>Professional classical and contemporary dancers</b>	Professional classical and contemporary dancers with 10 years of contributions from fulltime employment as professional dancers at age 55. With penalties at age 45 if they have a total of 20 years registered contributions
<b>Embroiderers from Madeira Island</b>	Embroiderers from Madeira Island aged 60 with 15 years of contributions as embroiderer
<b>Workers in mining of the closed National Uranium Company</b>	Workers aged 55 with 15 years of contributions who worked at the National Uranium Company (ENU) at the time of its dissolution or who had worked at the ENU for at least 4 years before its dissolution

Source: Decreto-Lei 28/2005; Decreto-Lei 155/2009; Decreto regulamentar 2/1998; Decreto regulamentar 40/1986; Decreto-Lei 55/1999; Decreto-Lei 482/1999; Despacho conjunto 704/2000, Decreto-Lei 195/1995; Lei 10/2010; Lei 14/1998; Portaria 129/2001

The workers in all these categories are entitled to a regular pension without deductions. However, for professional classical and contemporary dancers who retire between the ages of 45 and 54, there is a penalty for retiring before the age of 55.

This penalty follows the general regime of penalties established by Decree-Law 187/2007: 0.5% per month of anticipation. For workers with more than 30 years of insurance record the total number of months of anticipation is reduced by 12 for every period of three years they worked beyond the 30-years. Hence, the penalty applies equally to WAHJ and to other workers if retirement happens before the statutory age applicable to the respective situation.

However, Decree-Law 8/2015 (14 January 2015) established an exceptional measure to be in force during 2015. Workers aged 60 years or more with at least 40 years of contributions could retire early and early retirement penalties would be reduced by four months for every year of insurance record beyond 40 years of contributions, instead of the reduction model of 12 months for each period of three years for those with more than 30 years of insurance record. Decree-Law 10/2016 (8 March 2016) extended these conditions until a new revision of the early retirement regime.

The funding of the early retirement schemes differs according to the professional category considered as an arduous or hazardous job. In all cases, pensions regard the



first pillar only. WAHJ are not compelled to make any mandatory contributions for schemes under the second or third pillars. However, in the case of air traffic controllers, for instance, there is an optional supplementary scheme. As for personal pension insurance, this depends entirely on the personal decision of the worker.

For miners there is a specific accrual of pension rights deriving from pre-retirement working time<sup>2</sup>. Accrual of pension rights through work in the same activity and/or sector after retirement is not allowed otherwise the pension will be interrupted.

Table 2 below summarises this information. No gender differences could be identified.

**Table 2 – Arduous or hazardous jobs in Portugal and respective specific exceptions for accrual of pension rights and funding of the anticipation regime**

Professional activity	Exceptions for accrual of pension rights	Funding
<b>Miners</b>	Employment in mining sector underground	Employer and Social Security - additional expenses in case of retirement at 45 for structural reasons funded by employer only
<b>Seafarers in fisheries</b>	Employment aboard fishing vessels as seafarers	Not mentioned
<b>Maritime workers of merchant navy, coastal navigation and coastal fishery</b>	Employment at merchant navy at sea	Not mentioned
<b>Air traffic controllers</b>	Employment at air traffic control industry in operating functions and for 3 years after early retirement at the same employer	Employer (60%) and State through Social Security (40%)
<b>Professional classical and contemporary dancers</b>	Employment as classical or contemporary dancer	Social Security budget
<b>Embroiderers from Madeira Island</b>	Employment at embroidery industry	State budget and Social Security budget
<b>Workers in mining of the closed National Uranium Company</b>	Employment in mining sector	Employer

Source: Decreto-Lei 28/2005; Decreto-Lei 155/2009; Decreto regulamentar 2/1998; Decreto regulamentar 40/1986; Decreto-Lei 55/1999; Decreto-Lei 482/1999; Despacho conjunto 704/2000, Decreto-Lei 195/1995; Lei 10/2010; Lei 14/1998; Portaria 129/2001; ESIP, 2016.

Overall, accrual of pension rights is possible for workers prolonging working life beyond statutory retirement age up to the age of 70. The bonus per month depends on the years of contribution to social security (Table 3).

<sup>2</sup> The pension is increased by 2.2% for every 2 years of work underground, up to 92% of the individual's wage.

**Table 3 – Accrual of pension rights (% per month) according to the duration of the career of contributions**

Years of contributions to Social Security	Bonus per month
15 to 24	0.33%
25 to 34	0.5%
35 to 39	0.65%
40 or more	1%

Source: Decreto-Lei 167E/2013

If an old-age pensioner decides to develop a professional activity, the monthly amount of his/her pension is increased by 1/14 of 2% of the total record of remunerations. The increase takes effect at the 1<sup>st</sup> January of each year taking into account the previous year's remunerations.

### 3 Retirement patterns and retirement income of workers in arduous or hazardous jobs

There are no data readily available giving an overall picture of the retirement patterns and retirement income of WAHJ, more specifically regarding the age and the pathways through which WAHJ tend to exit the labour market and their relative income situation after retirement.

Thus, a specific request of information was made to the Informatics Institute of social security (Instituto de Informática, I.P. – II, I.P.). According to the data received, there is a gender balance in the total number of pensioners, with men representing 49.3% and women the remaining 50.7%. However, this is not the case among pensioners retiring from arduous/hazardous jobs (PRAHJ) as men represent nearly 80% of all cases (79.7%).

Half of the PRAHJ exited the labour market between the ages of 55 and 59 compared to 18.6% of total pensioners, which is consistent with the conditions for early retirement applicable to most of the professional categories considered for the purposes of this report. Additionally, about one out of three PRAHJ retired between the ages of 60 and 64 compared to one out of four pensioners overall. Interestingly, it is less common for PRAHJ to have retired before the age of 55 than for the total of pensioners – 11.6% compared to 17.9%. Only 5.7% of PRAHJ retired at the age of 65 or more, compared to 38.6% of total pensioners.

**Table 4 – Age cohort, at the moment of retirement, of pensioners retiring from arduous/hazardous jobs and of all pensioners (n; %), 2015**

	Pensioners retiring from AHJ		Total pensioners	
	N	%	N	%
<b>&lt;35</b>	98	0.5	38,786	2.0
<b>35-44</b>	239	1.3	88,049	4.6
<b>45-54</b>	1,849	9.8	216,161	11.3
<b>55-59</b>	9,426	50.1	355,314	18.6
<b>60-64</b>	6,110	32.5	475,495	24.9
<b>65+</b>	1,081	5.7	737,210	38.6
<b>Total</b>	18,803	100	1,911,015	100

Source: Specific data provided by the II, I.P.

As such, it is hardly surprising that a large majority of PRAHJ exited the labour market through the pathway of the early old-age pension (86.9%), compared to about one out of four pensioners overall. Only 5.7% exited through the pathway of the statutory old-age pension, compared to 41.3% overall.

**Table 5 – Type of pension, at the moment of retirement, of pensioners retiring from arduous/hazardous jobs and of all pensioners (n; %), 2015**

	Pensioners retiring from AHJ		Total pensioners	
	N	%	N	%
<b>Early old-age pension</b>	16,327	86.8	468,562	24.5
<b>Invalidity pension</b>	1,411	7.5	653,419	34.2
<b>Old-age pension</b>	1,065	5.7	789,034	41.3
<b>Total</b>	18,803	100	1,911,015	100

Source: Specific data provided by the II, I.P.-

PRAHJ seem to have a better income situation than pensioners overall. The mean value of their retirement pension is nearly €600/month (€598.82), which is higher by approximately 1/3 than the mean value of the retirement pension, all pensioners considered - €445.66/month.

This is reiterated by the analysis of pension amounts by cohorts. Using the poverty line for 2015 as reference (€422/month), it is evident that the percentage of PRAHJ receiving a pension equal or higher to 2.5 times the poverty line (€1,055 in 2015) is almost double that of total pensioners – 11.6% and 6.3%, respectively. Conversely, the percentage of PRAHJ receiving pensions lower than the poverty line is much lower than the percentage of total pensioners in the same situation.

However, it is crucial to emphasise that more than half of PRAHJ and nearly three out of four pensioners overall earn a pension that does not pull them out of poverty if they live alone.

**Table 6 – Pension amounts of pensioners retiring from arduous/hazardous jobs and of all pensioners (n; %), 2015**

	Pensioners retiring from AHJ		Total pensioners	
	N	%	N	%
<b>Below poverty line (PL)</b>	10,358	55.1	1,400,973	73.3
<b>PL - &lt; 2.5xPL</b>	6,272	33.4	389,728	20.4
<b>2.5xPL - &lt; 5xPL</b>	1,707	9.1	95,469	5.0
<b>5xPL or more</b>	466	2.5	24,845	1.3
<b>Total</b>	18,803	100	1,911,015	100

Note: Poverty line=€422/month; 2.5xPL=€1,055/month; 5xPL=€2,110/month

Source: Specific data provided by the II, I.P.

Additionally, exploratory contacts were made with representatives of some categories of WAHJ. From those contacts it was possible to gather unofficial information regarding air traffic controllers. This information confirms the very favourable income situation after retirement of this professional group, which is probably a unique situation among WAHJ categories in Portugal. In fact, these contacts note that, in many cases, these workers do not apply for the early retirement scheme they are entitled to, but rather stay in the same company performing other functions such as managerial or consultancy duties. They also note that a main aim of the supplementary pension scheme for these workers, mentioned in section 2, is to elevate their pension income to a level similar to their labour income,<sup>3</sup> allowing them to keep a very favourable income situation after retirement.

<sup>3</sup> That includes variable components such as an allowance for those working in shifts.

## References

- ESIP - European Social Insurance Platform, *Career management, rehabilitation and early retirement in strenuous jobs ("Hard Jobs")*, European Social Insurance Platform, Final report, 2016, available at: [http://www.esip.eu/files/Hard Jobs Report final for internet pdf.pdf](http://www.esip.eu/files/Hard%20Jobs%20Report%20final%20for%20internet%20pdf.pdf).
- Portugal, Decreto-Lei 10/2016, Diário da República, 1.<sup>a</sup> série — N.º 47, de 8 de Março, 2016, available at: <https://dre.pt/application/file/73788325>.
- Portugal, Decreto-Lei 8/2015, Diário da República, 1.<sup>a</sup> série — N.º 9, de 14 de Janeiro, 2015, available at: <https://dre.pt/application/file/66128758>.
- Portugal, Portaria 277/2014, Diário da República, 1.<sup>a</sup> série — N.º 249, de 26 de Dezembro, 2014 available at: <https://dre.pt/application/file/65990839>.
- Portugal, Decreto-Lei 167-E/2013, Diário da República, 1.<sup>a</sup> série — N.º 253, de 31 de Dezembro, 2013, available at: <https://dre.pt/application/file/164489>.
- Portugal, Decreto Regulamentar 1A/2011, Diário da República, 1.<sup>a</sup> série — N.º 1, de 3 de Janeiro, 2011, available at: [http://www.seg-social.pt/documents/10152/51744/DReg\\_1\\_a\\_2011/240ae962-8962-4ee3-9b9f-04f21ed06533](http://www.seg-social.pt/documents/10152/51744/DReg_1_a_2011/240ae962-8962-4ee3-9b9f-04f21ed06533).
- Portugal, Lei 10/2010, Diário da República, 1.<sup>a</sup> série — N.º 113, de 14 de Junho, 2010, available at: <https://dre.pt/application/file/335495>.
- Portugal, Lei 110/2009, Diário da República, 1.<sup>a</sup> série — N.º 180, de 16 de Setembro, 2009, available at: <http://www.sg.min-saude.pt/NR/rdonlyres/E0A3D8AB-0543-4E9A-BFE0-6703B5EB8B8B/18530/0649006528.pdf>.
- Portugal, Decreto-Lei 155/2009, Diário da República, 1.<sup>a</sup> série — N.º 31, de 9 de Julho, 2009, available at: <https://dre.pt/application/file/492342>.
- Portugal, Decreto-Lei 187/2007, Diário da República, 1.<sup>a</sup> série — N.º 90, de 10 de Maio, 2013, available at: <https://dre.pt/application/file/520704>.
- Portugal, Lei 4/2007, Diário da República, 1.<sup>a</sup> série — N.º 11, de 16 de Janeiro, 2007, available at: [http://www.seg-social.pt/documents/10152/18664/LEI\\_4\\_2007](http://www.seg-social.pt/documents/10152/18664/LEI_4_2007).
- Portugal, Decreto-Lei 28/2005, Diário da República, 1.<sup>a</sup> série-A — N.º 29, de 10 de Fevereiro, 2005, available at: <https://dre.pt/application/file/618036>.
- Portugal, Portaria 129/2001, Diário da República, 1.<sup>a</sup> série-B — N.º 49, de 27 de Fevereiro, 2001, available at: <https://dre.pt/application/file/384735>.
- Portugal, Despacho conjunto 704/2000, Diário da República, 2.<sup>a</sup> série — N.º 153, de 5 de Julho, 2000, available at: [http://www.seg-social.pt/documents/10152/1198396/Desp\\_conj\\_704\\_2000/0bae97d0-e3cd-4703-af33-cf8c50badd94](http://www.seg-social.pt/documents/10152/1198396/Desp_conj_704_2000/0bae97d0-e3cd-4703-af33-cf8c50badd94/0bae97d0-e3cd-4703-af33-cf8c50badd94).
- Portugal, Decreto-Lei 482/99, Diário da República, 1.<sup>a</sup> série-A — N.º 261, de 9 de Novembro, 1999, available at: <https://dre.pt/application/file/683149>.
- Portugal, Decreto-Lei 55/99, Diário da República, 1.<sup>a</sup> série-A — N.º 48, de 26 de Fevereiro, 1999, available at: <https://dre.pt/application/file/165303>.
- Portugal, Decreto Regulamentar 2/98, Diário da República, 1.<sup>a</sup> série-B — N.º 210, de 12 de Setembro, 1998, available at: <https://dre.pt/application/file/223937>.
- Portugal, Lei 14/98, Diário da República, 1.<sup>a</sup> série-A — N.º 67, de 20 de Março, 1998, available at: <https://dre.pt/application/file/197219>.
- Portugal, Decreto-Lei 195/95, Diário da República, 1.<sup>a</sup> série-A — N.º 173, de 28 de Julho, 1995, available at: <https://dre.pt/application/file/484693>.
- Portugal, Decreto Regulamentar 40/86, Diário da República, 1.<sup>a</sup> série — N.º 29, de 4 de Fevereiro, 1986, available at: <https://dre.pt/application/file/587549>.

