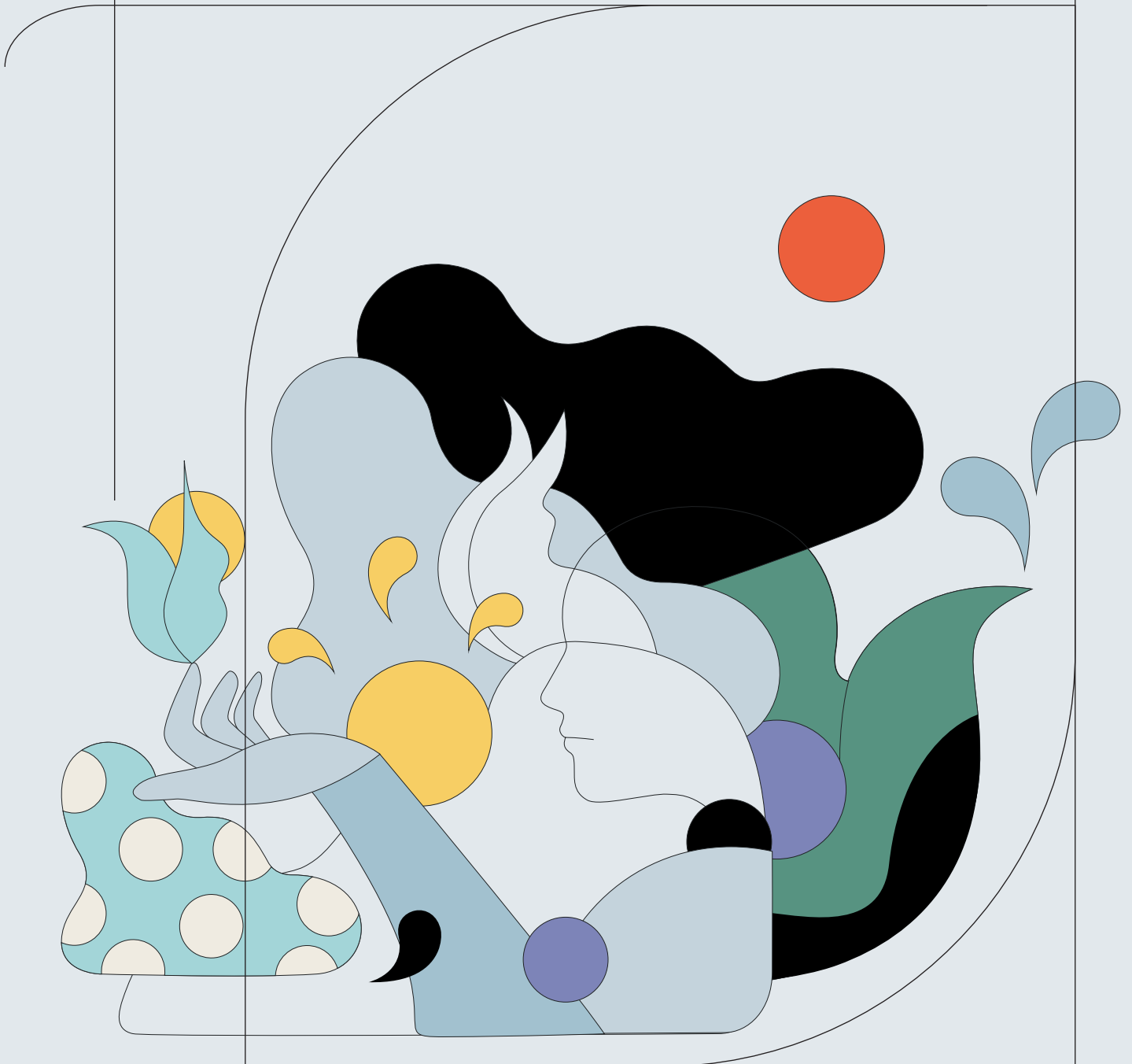




# Country profile - Denmark

## Policies for longer working lives and good practices

Lars L. Andersen  
for BSLF for Sustainable Working Life Project



# CONTENTS

1	COUNTRY PROFILE.....	2
1.1	Introduction .....	2
1.2	Policies related to the employee level .....	3
1.3	Policies related to the employer level .....	7
1.4	Shortcomings in the policies .....	7
2	TWO GOOD PRACTICES .....	8
2.1	Arriva (bus drivers) .....	8
2.2	Municipality of Vordingborg (Social and care workers) .....	9

# 1 COUNTRY PROFILE

## 1.1 Introduction

Based on the most recent data from Statistics Denmark, population projections until 2040 forecast a growing number of citizens aged 0-19 years (+107,000) and 60 years or older (+360,000), while the number of those aged 20-59 years will decline (-98,000) (Fig. 1).

This marked shift in the age-dependency ratio has urged politicians, labour unions, employer organizations and local workplaces in Denmark to introduce policies to stimulate a prolonged working life and thereby preserve enough workers in the labour force.

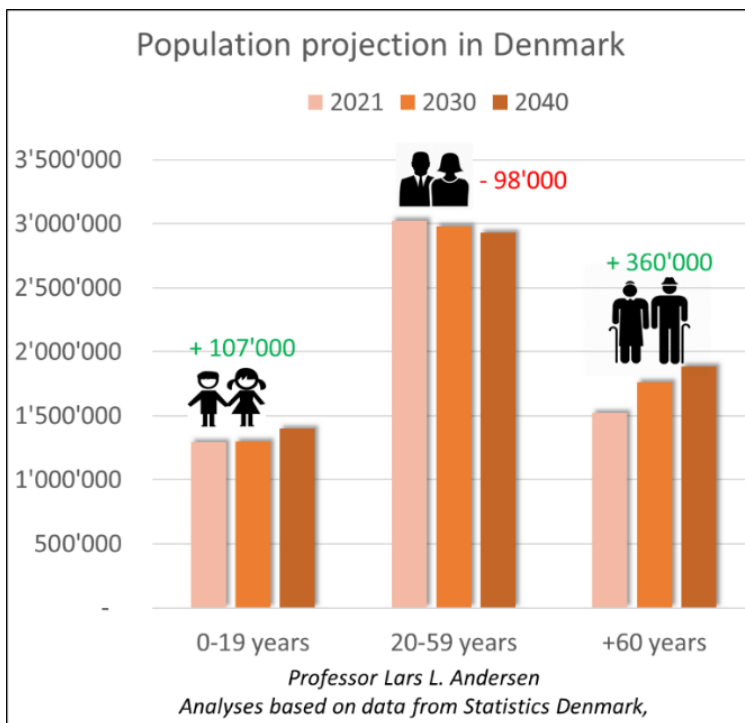


Figure 1. Population Projections in Denmark until 2040

Here, we describe crucial national policies in Denmark related to the ageing workforce and possibilities for prolonging working life. We also describe the use and content of senior policies at workplaces in Denmark based on a national survey from 2020. We will also analyse strengths and shortcomings of the different policies.

In brief, we draw on information about policies related to the employee and employer level, respectively, based on the following sources of information:

1. Political initiatives, reforms, and laws;
2. Tripartite agreements and collective bargaining agreements;
3. National representative data from 2020 about senior policies at workplaces in Denmark.

## 1.2 Policies related to the employee level

**Political reforms** have relied on economic incentives to motivate employees to stay longer in the labour market, but have not dealt with possibilities for skills development etc. The Danish Welfare Reform<sup>1</sup> from 2006 has decreased the possibilities for voluntary early retirement pension, and at the same time gradually raised the state pension age from 65 in 2018 to 70 years in 2040. As people are dependent on income, this has created an economic incentive or necessity to work longer. A shortcoming of this political approach to prolonging working life is that more older workers will be stuck in the labour market with poor health, creating a need for good senior policies at the workplaces. As a new political initiative, as of January 2023, citizens above the state pension age can continue or begin working without being deducted in their state pension<sup>2</sup>. This positive economic incentive will likely stimulate some people – at least those in good health – to continue working beyond the state pension age.

**Tripartite agreements** (i.e., between the government, labour unions and employer organizations) and **collective bargaining agreements** (i.e., between labour unions and employer organizations) have led to policies with positive aspects to stimulate a prolonged working life. The most important are:

### A. Senior days

As part of the different agreements, employees above a certain age are granted senior days<sup>3</sup>, i.e., additional days off. The agreements can be summarized into these main areas:

- Five years before the pension age, employees in the **private sector** can have up to 30 senior days each year. This is financed by retaining a certain percentage of the wage that goes into an account that can be exchanged for senior days, pension savings or an economic bonus.
- From the age of 58 years, employees in **municipalities** (part of the public sector) have the possibility to take two to nine senior days each year. If an employee chooses not to take the senior days, the money can be transferred to pension savings or paid as an economic bonus.
- From the age of 62 years, **state** employees (part of the public sector) have the right to take 12 senior days each year, fully financed by the employer.

---

<sup>1</sup> <https://bm.dk/arbejdsomraader/politiske-aftaler/politiske-aftaler/2006/aftale-om-fremtidens-velfaerd/>

<sup>2</sup> <https://bm.dk/nyheder-presse/pressemeddelelser/2022/03/omkring-130000-borgere-vil-faa-gavn-af-de-nye-lempelige-modregningsregler/>

<sup>3</sup> <https://www.foa.dk/raad-regler/i-job/senior/seniordage-offentlig>

## B. Skills development and lifelong learning

In Denmark, skills development and lifelong learning are recognized as important requirements for a long and healthy working life<sup>4</sup>. The main agreements are:

- For **unskilled and skilled workers in the private sector**, the employer usually covers the costs directly or indirectly. This can include costs for the course/school and materials (books etc.). The labour unions and employer organizations have made a collective agreement about this. The employee can, through the tax system, deduct additional expenses related to transport, food and lodging.
- For employees in jobs that require **higher education**, certain funding bodies exist. For example, employees in the public sector (state) can – together with the employer – apply for funding from a special fund (the State Competence Fund<sup>5</sup>) to cover the costs of the course, transport, and lodging. This relates to e.g., academics, teachers, and trade and office workers. It should be noted that the funding bodies are limited to a certain amount each year, and once used, the employee must wait until the next year to apply again.

### The effect of senior policies at workplaces – results from the SeniorWorkingLife study

**National representative data** about work and health among employees aged  $\geq 50$  (about 12,000 respondents) in Denmark was collected in 2020, through the SeniorWorkingLife study<sup>6</sup>. The survey included questions about senior policies and possibilities at the workplace to adapt to the late phase of working life. Here, we re-analyse this data including only employees aged 55+ (n=9411) and investigate the influence of having a senior policy at the workplace on different possibilities for prolonging working life (skills development, working conditions, occupational health etc). The data is also stratified by gender as the labour market is somewhat gender-segregated in Denmark (e.g., more men in construction work and more women in social and care work). The results presented are ‘weighted percentages’, meaning that they are representative of 55+ employees in Denmark in 2020.

Among 55+ employees in Denmark, **42% report that their workplace has a senior policy** in place. Table 1 shows that having a senior policy at the workplace is in general associated with better possibilities for 55+ workers. The different elements of these possibilities will be discussed below.

1. *Reduced working time* – in terms of reduced weekly working hours or additional days off (senior days) – can be a way to reduce the accumulated work demands. As physical capacity (e.g., muscle strength) gradually declines with increasing age, this can especially be relevant

---

<sup>4</sup> <https://ufm.dk/uddannelse/videregaende-uddannelse/efter-og-videreuddannelse>

<sup>5</sup> <https://kompetenceudvikling.dk/>

<sup>6</sup> The [SeniorWorkingLife study](#) was initiated in 2018 by the National Research Centre for the Working Environment (Denmark), Aalborg University (Denmark) and Team Arbejdsliv (Denmark) with research support from the Danish foundation TrygFonden. Professor Lars L. Andersen is project leader. Published research articles: [PubMed](#).

to ensure a better balance between work demands and physical capacity of older workers. Also, as many older workers would like to enjoy their senior life – e.g., travelling, spending more time with grandchildren, doing hobbies etc. – having the possibility to gradually reduce working time may be an incentive to stay longer in the labour market rather than leaving the labour completely when reaching state pension age. Importantly, having a senior policy at the workplace is strongly related to having the possibility of reduced working time. For example, at workplaces having a senior policy, 38% and 34% of the men and women, respectively, have the possibility of reduced working hours (without financial compensation, i.e., self-paid), while the numbers are 22% and 25%, respectively, at workplaces not having a senior policy. With regards to additional days off – called ‘senior days’ in Denmark – the difference is even more marked between workplaces having and not having senior policies.

Table 1. Different possibilities to adapt to the senior working life in relation to having or not having a senior policy at the workplace. Results are stratified by gender.

<i>Topic</i>	<b>Possibilities at the workplace for 55+ workers</b>	<b>Senior policy at the workplace?</b>			
		<b>No</b>		<b>Yes</b>	
		<b>Men</b>	<b>Women</b>	<b>Men</b>	<b>Women</b>
<i>1. Reduced working time</i>	Reduced working hours (without financial compensation)	22%	25%	38%	34%
	Additional days off (senior days) or longer vacations	13%	11%	35%	28%
	Reduced working hours (with financial compensation)	6%	2%	13%	9%
<i>2. Flexibility</i>	Flexible working hours	26%	22%	34%	33%
<i>3. Adaptability</i>	Skills development (continuing education)	15%	17%	26%	24%
	Reduction of work demands	14%	8%	19%	13%
	Changing job area	6%	4%	12%	8%
	Reduction of responsibility	4%	4%	7%	6%
<i>4. Occupational health</i>	Treatment (e.g., physical therapy, psychologist)	26%	22%	34%	28%
	Physical exercise	13%	11%	25%	16%
	Health check	12%	7%	24%	9%
	Smoking cessation course	7%	10%	16%	20%
<i>5. Counselling</i>	Senior counselling	3%	3%	14%	10%
<i>6. Economic incentives</i>	Improvement of salary	6%	4%	5%	3%
	Economic bonus if later retirement	2%	1%	4%	3%
	None	29%	30%	7%	11%

*2. Flexibility.* Having the possibility to plan working hours according to own needs – e.g., meeting and leaving earlier or later on some workdays or doing some of the work from home at the most appropriate hours – can be another way to create a better work-life balance. Again, having a senior policy at the workplace increases the possibility for flexibility.

*3. Adaptability.* Skills development and lifelong learning are important for employees to stay motivated, have interesting work tasks, and be able to work until a high age. About one-

fourth of employees at workplaces having a senior policy report have the possibility for skills development, e.g., continuing education such as courses to develop certain skills. Another way to adapt to the senior working life can be through reduced work demands or changing job area to a less demanding type of work. Again, having a senior policy at the workplace promotes these possibilities.

4. *Occupational health.* The risk of developing poor health and having more chronic diseases at once (multi-morbidity) increases with age. Together with the inherent age-related decline of physical capacity (e.g., muscle strength), this can markedly affect work ability. Thus, providing support at the workplace for maintaining good health is a win-win situation for employees and employers. Having a senior policy at the workplace is associated with more of these possibilities.

5. *Counselling.* 'Senior counselling' in Denmark is used to assist employees in getting an economic overview of the possibilities and consequences of e.g., reducing working hours and retiring at a certain age. In general, this possibility is not widespread at workplaces as most pension companies provide this service for free. Even so, this possibility is more widespread at workplaces having a senior policy than those that do not have a senior policy.

6. *Economic incentives.* Economic incentives to maintain senior workers – besides receiving the 'normal' salary, which can be an incentive by itself – are not widespread at Danish workplaces. Only a few percentages of the workers report this possibility. Thus, economic incentives are more related to political reforms than senior policies at the workplace.

When summing up all the possibilities, 7% and 11% of the men and women at workplaces having a senior policy report have none of the possibilities mentioned above, while the corresponding numbers are 29% and 30% at workplaces not having a senior policy. Thus, having a senior policy at the workplace can help ensure more possibilities for older workers to adapt to the senior working life and thereby promote a longer working life.

**Political initiatives for unemployed.** The sections above have dealt with policies and possibilities for employees aged 55 years or older. However, there are also initiatives for unemployed citizens in Denmark that are relevant for older workers<sup>7</sup>, although not specifically targeted to a certain age group. As of 1<sup>st</sup> Jan 2007, the municipalities of Denmark coordinate the efforts to help unemployed get a job. There are currently 98 Job Centres in Denmark. The Job Centres help unemployed to create a job plan and to establish contact with workplaces. As part of this initiative, the Local Government Denmark, an association and interest organisation of the 98 Danish municipalities and the Danish Agency for Labour Market and Recruitment, runs Jobnet<sup>8</sup>, an internet-based service to unite job seekers with companies.

---

<sup>7</sup> <https://www.borger.dk/arbejde-dagpenge-ferie/Arbejdsloeshed/Jobcenter-og-jobnetdk>

<sup>8</sup> <https://job.jobnet.dk/CV/Frontpage>

### 1.3 Policies related to the employer level

There are no laws or policies that oblige employers to specifically hire workers above 55 years. However, discrimination of any kind has been illegal in Denmark since 1996, with criteria for age and disability added in 2004<sup>9</sup>. Nevertheless, many 55+ years still experience discrimination. Thus, representative data from the SeniorWorkingLife study (2020) shows that 33% of 55-59 years and 43% of 60-64 years unemployed citizens in Denmark have experienced age discrimination in the labour market. Based on this, a new law has been proposed in 2022, making it illegal for employers to ask for the age of the applicant when applying for a job<sup>10</sup>.

### 1.4 Shortcomings in the policies

There are both strengths and shortcomings of the different policies. The collective agreements have led to possibilities for skills development and additional senior days for older workers. However, when asking 55+ employees in Denmark, not all employees have these possibilities. Thus, despite the collective agreements, the possibilities are not always brought into play. Having a senior policy at the workplace improves the possibilities for older workers to adapt to the senior working life and includes positive elements that go beyond the collective agreements. Despite this, women still have fewer of these possibilities than men. Thus, a continued focus on gender differences in the possibilities for adapting to the senior working life is necessary.

Age discrimination is still experienced by many 55+ unemployed citizens in Denmark. Laws to prohibit discrimination have not resolved this problem. As of 2022, a new law has proposed making it illegal for the employer to ask for the age of the applicant. While this is a step in the right direction, a shortcoming of such an approach is that it is easy to guess the approximate age of the applicant based on experience and previous employment. Thus, a continued focus on improving the understanding of the many benefits of employing individuals with a long experience is necessary.

---

<sup>9</sup> <https://bm.dk/arbejdsomraader/arbejdsvilkaar/forskelsbehandling/forskelsbehandlingsloven/>

<sup>10</sup> <https://www.ft.dk/samling/20211/lovforslag/l115/index.htm>



## 2 TWO GOOD PRACTICES

### 2.1 Arriva (bus drivers)

In the SeniorWorkingLife study, interviews were carried out at the company Arriva in 2018. As of February 2022, the majority of the senior policies and initiatives described further below are still ongoing. In Denmark, Arriva is well-known for having a high level of social responsibility. The company employs 3700 people and has 1000 buses and 43 trains. 3000 of its employees are drivers (mainly bus drivers), of which 29% are 60 years or older, 15% are women, and 30% are immigrants. As the level of unemployment is very low in Denmark (December 2021: 2.5%), Arriva is – like many companies in Denmark – struggling with hiring enough workers. As part of the social responsibility and business model, a priority is therefore to maintain older workers in the job as long as possible. To reach this goal, Arriva has developed an active senior policy. The main components of this policy are:

**Reduced working hours.** As part of the senior policy, it is possible to work at 80% or 90% of full working time. The wages are reduced correspondingly, but the pension savings are maintained at 100%. Thus, there is an economic incentive to continue working at reduced working hours rather than leaving the labour market completely. About 100 employees use this possibility.

**Pensioned drivers paid by the hour.** This initiative concerns already retired bus drivers that can fill in when needed (in case of sickness absence etc.). Before 2022, a major barrier to this was that the pensioned drivers were subject to deductions in their state pension payment when working more than a few hours a week. Due to a new political initiative (January 2022), citizens above state pension age can now continue or begin working without seeing deductions in their state pension. Whether this will lead to more pensioned bus drivers being motivated to fill in when needed remains unknown.

**Mobile health clinic.** Arriva recognizes that health problems can be a barrier to working until a high age. A 'health check bus' therefore visits the different work sites to carry out health check-ups of workers (blood pressure etc.). Thus, certain health problems may be detected at an early stage, and the employee can contact his/her medical doctor for further examination and treatment. This approach is quite successful, as some older workers have undiagnosed high blood pressure.

**Courses.** Arriva has completed courses for 250 senior workers about the importance of having a job and related topics such as income, pension, social responsibility, and loneliness. The employees found the courses useful. These courses were funded by the Danish Agency for Labour Market and Recruitment but have now been terminated due to a lack of external funding.

**Recommendations:** *Important lessons to be learned from this case are 1) state-sponsored funding should be continuous to have a lasting effect, and/or 2) initiatives for senior workers should form part of the business case (i.e., is it cost-beneficial in terms of maintaining the senior workers in the job). Otherwise, the incentive can lose momentum over time.*

## 2.2 Municipality of Vordingborg (Social and care workers)

In the SeniorWorkingLife study in 2018, leaders, employees and elected representatives from the department of Social and Care Work of the municipality of Vordingborg in Denmark were interviewed. As of February 2022, the initiatives for senior workers described further below are still ongoing, although to a different extent. The department employs 1100 people, with the majority being employed in social and care work, but also in working with assistive devices and laundering. The large majority of employees are women, and the age distribution is wide, also including workers older than 70 years. As the level of unemployment is very low in Denmark (December 2021: 2.5%), the department is struggling with hiring enough workers. A priority is therefore to maintain older workers in the job as long as possible, as well as to recruit and maintain ethnic minorities. Several senior initiatives are in place, although there is deliberately no formal 'senior policy' as some of these initiatives also target younger workers. The main components are:

**Flexible working time.** As far as practically possible, the employees can – through a booking system – choose between the available shifts, e.g., working night instead of day, and e.g., choosing or avoiding weekend shifts. Thus, they can – to a certain extent – choose the shifts that fit them best as long as they work the total agreed number of hours. The senior workers are very satisfied with this possibility for flexibility, as this gives them better possibilities to fit in leisure activities (e.g., picking up the grandchildren from kindergarten).

**Skills development.** There is a continuous focus on skills development, especially for senior workers, as new technologies have been introduced during recent years. Thus, there are now possibilities for skills development, in terms of electronic registration systems, new technological assistive devices (e.g., for patient transfer), and robotic care systems.

**Work environment.** The municipality recognizes that social and care work can be both physically and mentally demanding. The department, therefore, has a special focus on continuously ensuring a good working environment so that the employees are able to and motivated to work to a high age. Every half year, the identified challenges are followed up.

**Health promotion.** Working with patients and citizens can be physically demanding, especially as muscle strength declines with the increasing age of the employee. The department has therefore introduced different health promotion initiatives, e.g., weight loss programmes, a healthy diet, and physical exercise. The experience is that these initiatives are difficult to maintain in the long term.

**Recommendations:** *The senior initiatives could be improved by being formalized in a written senior policy to ensure a continued focus, especially when new employees and managers join or leave the organization. Otherwise, these initiatives may lose momentum over time.*