

## **Scores of Germans Retiring Early Costing Country Billions**

*von Stefan Nicola*

(...)

(...) More than 279,000 Germans have applied for early retirement since the practice was introduced last July. Germany, already suffering from an aging population and a lack of skilled workers, had originally forecast the measure would cost 900 million euros in 2014 alone. In reality, the program has proven so popular that it turned out to be about 1.5 billion euros just for last year.

“Retirement at 63 is a relatively expensive program Germany may not be able to afford for long,” said Axel Boersch-Supan, a pensions analyst at the Max Planck Institute in Munich, who estimates it will cost about 2.5 billion euros annually through 2030. (...)

### **Super Aged**

The program, which Germans can only apply for after working for at least 45 years, was a concession Merkel made to her Social Democratic coalition partner when she formed her third-term government. (...)

Critics say there’s a big problem with letting Germans retire early: Europe’s largest economy is old and getting even older. The country is identified by the United Nations as “super aged,” with 20 percent of the population older than 65. (...)

### **Zoo Maintenance**

For those who are eligible, it’s an opportunity to more thoroughly enjoy life after years of work. (...)

Others in Germany argue that giving workers early pensions sends the wrong signal to companies that in recent years managed to increase employment of older workers by investing in on-the-job training and health programs.

### **Middle Ground**

“The pension with 63 undermines these efforts that try to work against the demographic development,” said Achim Dercks, deputy head of the German

Chambers of Commerce and Industry. “For the first time in years, the employment rate of workers older than 60 is stagnating. The pension with 63 is turning into a risk.”  
(...)

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