



# Working conditions and sustainable work

## **Keeping older workers engaged**

### **Country report: Portugal**

*Keeping older workers in the labour force*

**Authors:** Damla Posta and Aleksandra Skoczylas (Ecorys Poland)

**Research manager:** Franz Ferdinand Eiffe

**Contributor:** Heloísa Perista (Centro de Estudos para a Intervenção Social, CESIS)

**Eurofound reference number:** WPEF24094

© European Foundation for the Improvement of Living and Working Conditions (Eurofound), 2025  
Reproduction is authorised provided the source is acknowledged.

For any use or reproduction of photos or other material that is not under the Eurofound copyright, permission must be sought directly from the copyright holders.

Any queries on copyright must be addressed in writing to: [copyright@eurofound.europa.eu](mailto:copyright@eurofound.europa.eu)

*Research carried out prior to the UK's withdrawal from the European Union on 31 January 2020, and published subsequently, may include data relating to the 28 EU Member States. Following this date, research only takes into account the 27 EU Member States (EU28 minus the UK), unless specified otherwise.*

The European Foundation for the Improvement of Living and Working Conditions (Eurofound) is a tripartite European Union Agency established in 1975. Its role is to provide knowledge in the area of social, employment and work-related policies according to Regulation (EU) 2019/127.

**European Foundation for the Improvement of Living and Working Conditions**

**Telephone:** (+353 1) 204 31 00

**Email:** [information@eurofound.europa.eu](mailto:information@eurofound.europa.eu)

**Web:** [www.eurofound.europa.eu](http://www.eurofound.europa.eu)

## Contents

|  |           |
|--|-----------|
| <b>Background.....</b>                                 | <b>1</b>  |
| <b>Context and trends.....</b>                         | <b>1</b>  |
| <b>Main factors for exiting the labour market.....</b> | <b>4</b>  |
| Care responsibilities .....                            | 4         |
| Health and physical demands.....                       | 5         |
| Sector-specific retirement trends.....                 | 5         |
| Economic factors and job insecurity.....               | 5         |
| <b>Priorities and policies .....</b>                   | <b>5</b>  |
| <b>Sustainable work.....</b>                           | <b>7</b>  |
| Indicators.....  | 7         |
| Activities related to working conditions.....          | 8         |
| <b>The role of social partners .....</b>               | <b>9</b>  |
| <b>Policy pointers .....</b>                           | <b>9</b>  |
| <b>References .....</b>                                | <b>11</b> |

# Background

*This country report is based on a series of Eurofound expert interviews with government officials, social partner organisations, and academic experts carried out in the second half of 2024. It further taps into a consultation with the Eurofound Correspondent for Portugal and a review of national-level academic literature.*

## Context and trends

Portugal has an ageing population. Compared to the EU average of 28%, the population 60 years old and over accounted for 30.9% of the total population in 2023, the second highest in the EU after Italy. The old-age dependency ratio in 2023 was also the highest in the EU with 38.0, significantly higher than the EU average of 33.4% (Eurostat, 2024). Similarly, from 2002 to 2022, the Member State with the highest increase in the median age was Portugal with 8.6 years (Eurostat, 2023).

In Portugal, there is no official definition of older workers. While there is a general classification of an active worker—whether employed or unemployed—this is not based on age. Age distinctions are only applied in the context of retirement or early retirement, and not for defining a worker’s characteristics. Stakeholders stated that unlike in Nordic countries, where strong collective bargaining agreements often establish age-related working conditions (such as restrictions on night or shift work for older employees), Portugal does not differentiate based on age when it comes to working conditions or access to support and social benefits. However, stakeholders emphasised that it would be beneficial for Portugal to have an ‘older worker’ distinction if it also embodied in some kind of protection, for example, in terms of labour protection against certain occupational risks, or type of duties that could be performed.

As of 2024, the retirement age in Portugal is 66 years 4 months and does not differ between men and women. There is a scarcity of data in Portugal about older workers, especially about the pensioners who are still in the labour market, because the Segurança Social (Social Security) does not issue statistical bulletins on employment, and the available data is often not public. This also means that there is no data on work-related illnesses, such as the number of people declared work-related illnesses in a given year or how much they receive for their situation.

There are sectoral and regional differences for industries regarding the prevalence of older workers. Agriculture, fishing, and tourism industries have a higher concentration of older workers. According to the stakeholders, these relatively traditional sectors have the problem of attracting younger people. Hence, they rely more on older workers. Additionally, particularly in rural regions younger people tend to migrate to urban centres, leaving vacancies that are harder to fill. Therefore, rural regions and the islands have a higher proportion of older workers.

Regarding gender differences, there are more men in high-ranking and less physically demanding positions due to the historical dynamic of gender segregation. Consequently, women are usually more employed in informal sectors, such as domestic work, and, for this reason, they tend to start paying social security contributions starting from a later age. Therefore, they might be far from meeting the requirements to retire and keep working in manual and physical jobs until their 70s for economic reasons.

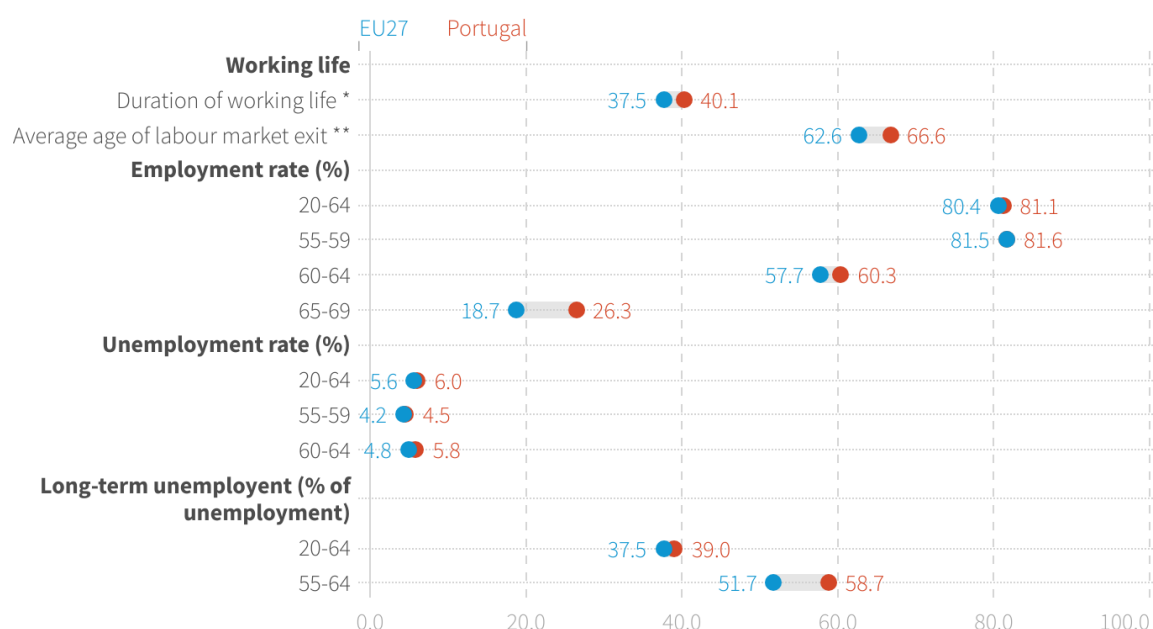
The employment rate in Portugal exceeds the EU27 average across all age groups, including older workers (Table 1). According to stakeholders in Portugal, the primary reason individuals continue working beyond retirement age is due to financial needs, largely attributed to low pension levels. Supporting this claim, the 2023 Labour Force Survey on Pensions and Labour Market Participation found that 13.2% of old-age pensioners in Portugal continued to work upon receiving their first pension. The survey results reveal that 46.5% of those who continued to work cited financial necessity as their primary reason, followed by the desire to remain productive (30.8%) and the need for social integration (10.9%) (Instituto Nacional de Estatística, 2024). These findings underscore that older workers in Portugal primarily choose to work longer due to economic necessity.

When looking at the labour market-related indicators for men, the employment rate for the age group 55-59 in Portugal is 81.6%, almost the same as the EU27 average of 81.5%. However, as the age group grows, the gap with the EU widens. For the 60-64 age group, the employment rate stands at 60.3%, compared to the EU27 average of 57.7%. Among the oldest group, the employment rate in Portugal is 26.3%, while the EU27 average is 18.7%.

The employment rate for older women in Portugal is also significantly higher than the EU average, among other for the reasons mentioned above. In the age group 55-59, this value is 72.3%, slightly above the EU27 average of 70.2%. For the 60-64 and 65-69 age groups, the gap is wider, with 54.6% and 19%, in comparison to EU averages of 44.6% and 12.2%.

**Table 1. Labour market related indicators**

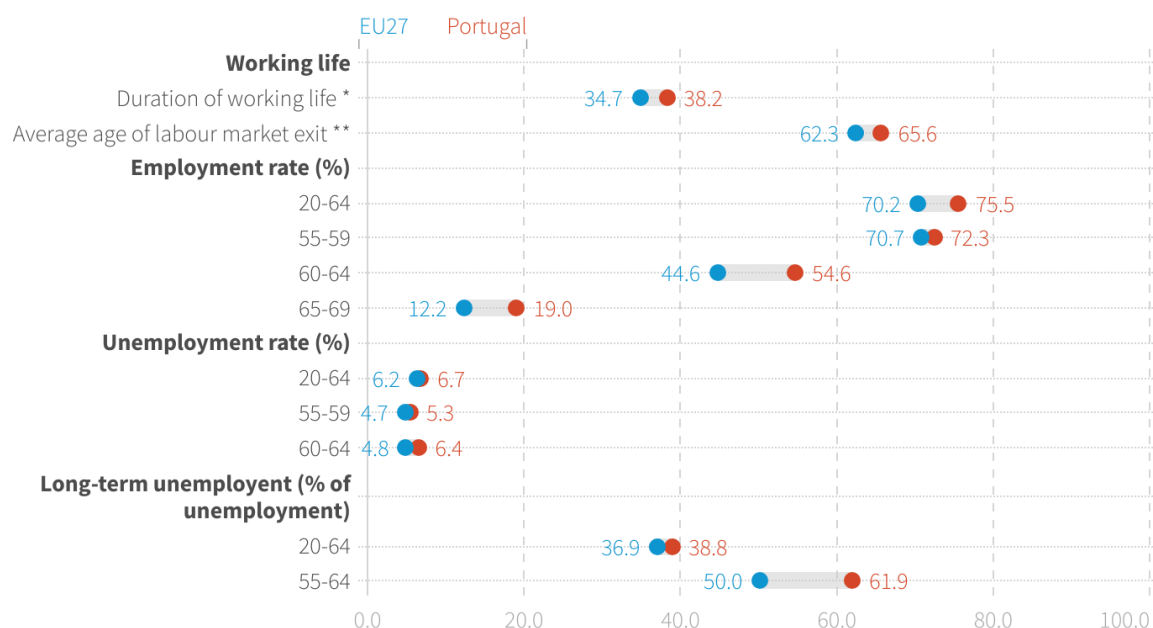
## Males



Source: Eurostat, EU-LFS & OECD data base



# Females



Source: Eurostat, EU-LFS & OECD data base

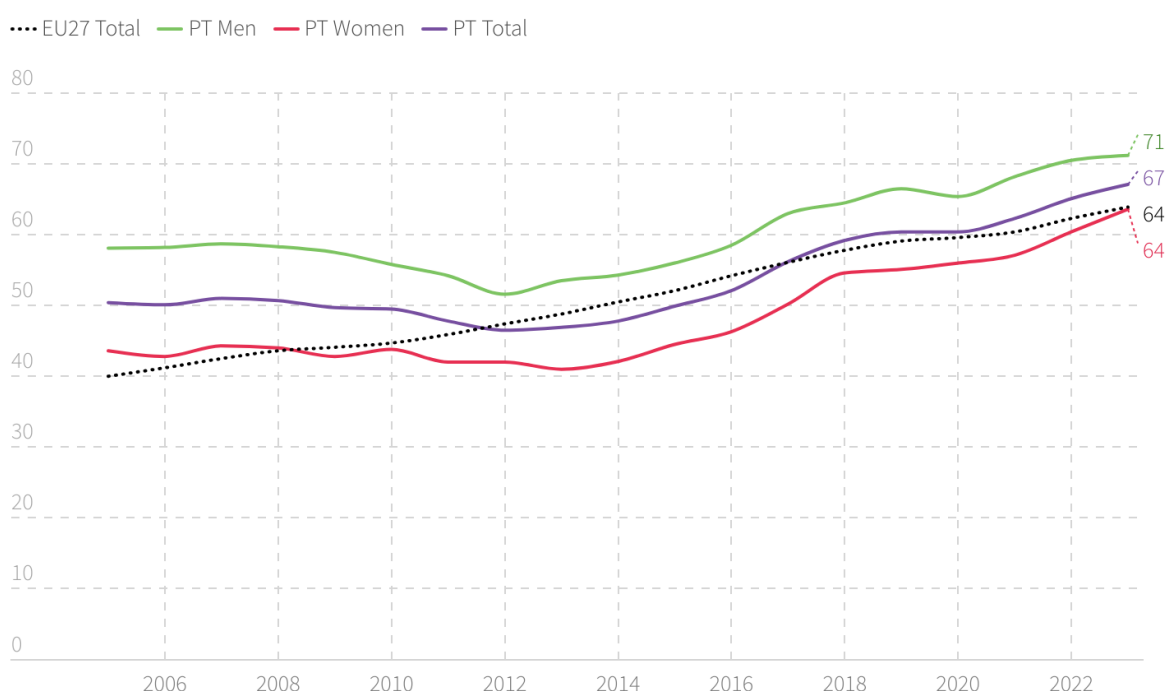


Notes: <sup>1)</sup> OECD indicator shown for five-year period 2017-22. <sup>2)</sup> estimation of the number of years a person, currently aged 15 years, is expected to be in the labour force (i.e. to be employed or unemployed) throughout his or her life.

The employment rate for the age group 55-64 in Portugal has generally followed an upward trend over the past two decades with some fluctuations, with employment rates decreasing until 2012 possibly due to the economic and financial crisis (Figure 1). In 2023, Portugal's employment rate for this age group reached 67.1%, a significant improvement from 50.4% in 2005. The employment rate for men aged 55-64 increased from 58.1% in 2005 to 71.2% in 2023, reflecting steady growth after 2016. The employment rate for women rose even more significantly, from 43.6% in 2005 to 63.6% in 2023. While the employment rate for women initially fluctuated and even declined slightly during the late 2000s, it surged from 2015 onwards, demonstrating a narrowing gender employment gap in this age group and overall. By 2023, the difference between male and female employment rates had shrunk from 14.5 percentage points in 2005 to 7.6 percentage points.

**Figure 1. Development of employment rates age group 55-64 across gender, % of total population**

### Portugal, Employment Rate (55-64)



Source: Eurostat, EU-LFS



## Main factors for exiting the labour market

### Care responsibilities

Several interviewees explained that care responsibilities are one of the main factors for exiting the labour market early, especially for women. Indeed, traditionally, women have taken up more family responsibilities (taking care of either ascendants or descendants – e.g., parents or grandchildren), something that is felt as more important than going back to work.

Furthermore, gaps in the provision of care, namely to older people, are exacerbated by the shortage of public services available. State provision of community care services in Portugal has been characterised as scarce, including long-term care, day centres and social services for the chronically ill, older people and other groups with special needs, such as people with mental and physical disabilities. Additionally, there is evidence of a clear lack of resources in long-term and palliative care as a result of an increase in the number of people with incapacitating chronic diseases (Simões et al., 2017).

## Health and physical demands

Health issues were cited as a significant reason for older workers to leave the workforce early. Many older employees face physical limitations that make it difficult to continue working, especially in jobs that require manual labour or involve physically demanding tasks.

According to the [Portuguese Economic Report](#), older workers are more susceptible to work-related injuries due to a combination of slower reaction times, reduced balance, and decreased physical resilience. In physically demanding jobs, the risk of injury is higher, and the recovery period tends to be longer for older individuals. This increases the likelihood of older workers leaving the labour force, either due to a prolonged recovery period or a decision to avoid further physical strain.

In addition to physical demands in certain work positions, many older workers already suffer from chronic health conditions such as cardiovascular disease or back problems, which can severely limit their ability to perform physically demanding tasks. The presence of these conditions often exacerbates the physical strain of work, making it less feasible for older workers to maintain full-time employment in physically demanding roles.

## Sector-specific retirement trends

In recent years, Portugal noted sector-specific retirement trends which applied to two sectors, i.e., the education and the agriculture sector. The education sector has seen a trend of early retirement among teachers, partly due to the physical and mental demands of the job. Many teachers opt for retirement when they become eligible, citing burnout and the challenges of adapting to new educational methods and technologies.

Regarding the agriculture sector, many older workers faced the challenge of physical decline and limited options for alternative employment. The vast majority of older workers do not have a higher degree and therefore have difficulties in finding employment in less physically demanding jobs.

## Economic factors and job insecurity

Interviewed stakeholders mentioned that often, in case of economic downturns or company restructuring, older workers are affected disproportionately. They may be targeted in downsizing efforts due to perceptions of being less adaptable to new technologies or more expensive due to higher wages. For example, during economic recessions, older employees in administrative roles might face layoffs as companies look to cut costs.

Once unemployed, older workers often struggle in finding new jobs due to age discrimination and skills mismatches, leading to prolonged periods of joblessness and eventual retirement. In industries like technology, where digital skills are essential, older workers may struggle to find roles if they lack up-to-date training, pushing them towards early retirement. This trend is observed in most of European countries.

## Priorities and policies

Stakeholders emphasised that while there are no explicit policies specifically favouring older workers, especially unemployed older workers benefit from the policies discussed in this section. One of the



most known and most cited initiatives by interviewees is the [Employment Insertion Contract](#) (Contrato Emprego de Inserção, CEI), an initiative in Portugal aimed at providing work opportunities for unemployed individuals, particularly those receiving unemployment benefits or social assistance.

The CEI is designed for unemployed individuals who are registered with employment services and are receiving unemployment benefits or social unemployment assistance. Priority is often given to long-term unemployed individuals, **those over 45 years old**, individuals with disabilities, and other vulnerable groups, such as victims of domestic violence or former inmates.

Participants in the CEI program receive a monthly allowance, which is an additional 20% of the Social Support Index along with support for transportation and meals during their activity. A specific insurance policy is also provided to cover risks associated with their work. As for the length of the initiative, participants can receive this allowance up to 12 months.

The second important initiative is [ATIVAR.PT](#) - aimed at promoting employment and vocational training. ATIVAR is managed by the Institute for Employment And Vocational Training (Instituto de Emprego e Formação Profissional, IEFP), and including two primary measures: Ativar.pt Internships and the Ativar.pt Incentive.

- Ativar.pt Internships provide paid opportunities for unemployed individuals, enhancing their skills and employability through structured training in a workplace setting.
- Ativar.pt Incentive offers financial support to employers who hire registered unemployed individuals, with bonuses for hiring long-term unemployed, young people, and those aged 45 and over.

Globally, the initiative supports economic recovery and aims to integrate various demographics and vulnerable groups into the labour market by offering internships and incentives for stable employment.

Another frequently cited initiative was the [Sustainable Employee Commitment](#) aimed at promoting sustainable employment by providing financial incentives to employers who hire unemployed individuals on permanent contracts. This initiative is also Managed by the IEFP and is part of Portugal's broader economic and social policies under the Portugal 2030 framework.

The Sustainable Employee Commitment prioritises hiring individuals who have been unemployed for at least three consecutive months, focusing on groups such as long-term unemployed, young people, and those over 45 years of age. To access these benefits, employers must comply with certain conditions, including maintaining the employment relationship for a set period and ensuring salaries meet the minimum thresholds defined by the program. These conditions aim to promote stable and quality employment rather than short-term or precarious work arrangements.

As for the benefits themselves, they consist of financial incentives for employers who hire people through permanent contracts. In fact, employers receive financial support for hiring unemployed individuals registered with the IEFP. This support includes a subsidy equivalent to 12 times the Social Support Index, which in 2024 is set at €6,111.12 per worker. If the employer hires workers at a salary level equal to or above three times the SSI, additional bonuses of up to 25% may be applied to the subsidy.

Lastly, the [Incentive to Accept Job Offers](#) consists of financial support for unemployed recipients of unemployment benefits who accept full-time job offers with a remuneration lower than the amount of the unemployment benefit they are receiving. In such a case, their salary is topped up with the financial support granted by the government. The support consists of a monthly cash amount equal to: 50 % of the value of the unemployment benefit during the first six months of the concession period, with a ceiling of €500; or 25% of the unemployment benefit during the following six months, with a ceiling of €250. In 2015, the minimum registration time at the Public Employment services was reduced to three months, and, in particular, an exception was established for the first time for registered unemployed people who are at least 45 years old, for whom compliance with the minimum registration time is not required.

## Sustainable work

### Indicators

The self-perceived health of employees aged 55-64 in Portugal is significantly lower than the EU27 average for both men and women (Table 2). Similarly, the healthy life years expectation at age 65 is 8.4 for men in Portugal and 9.5 for men in EU27. The gap with the EU27 is bigger for women; this figure is 7.4 in Portugal, while it is 9.9 in the EU27. The WHO-5 mental wellbeing score for employees aged 55 and over presents a similar trend for women (64.1), lower than the EU average of 65.8 out of 100. However, the same figure is 4.4 points higher for men in Portugal than the for their counterparts in the EU27 overall.

**Table 2. Sustainable work indicators**

|   | Portugal          |                   | EU-27 |       |
|---|-------------------|-------------------|-------|-------|
|   | Men               | Women             | Men   | Women |
| <b>Health and wellbeing</b>   |                   |                   |       |       |
| Self-perceived health (very good/good, % of employees) 55-64            | 42.8 <sup>4</sup> | 40.2 <sup>4</sup> | 67.6  | 66.9  |
| Healthy life year expectation at 65 <sup>1</sup>                        | 8.4               | 7.4               | 9.5   | 9.9   |
| WHO-5 mental wellbeing score, employees (0-100, mean), 55+ <sup>2</sup> | 75.0              | 64.1              | 70.6  | 65.8  |
| <b>Employability (% of employees 55+)</b>                               |                   |                   |       |       |
| Participation in education or training                                  | 8.1               | 10.3              | 7.5   | 10.2  |
| Job insecurity  | [13] <sup>3</sup> | [13] <sup>3</sup> | 12.9  | 10.4  |
| <b>Job quality</b>  |                   |                   |       |       |
| Paid appropriately  | 40.4              | 35.7              | 64.7  | 54.9  |
| High job quality  | 63.7              | 38.6              | 51.0  | 45.6  |

**Disclaimer:** This working paper has not been subject to the full Eurofound evaluation, editorial and publication process.

Source: Eurofound, EWCT 2021, Eurostat, EU-SILC

Notes: <sup>1)</sup> Life expectancy at age 65 is the unweighted average of the life expectancy at age 65 of women and men. <sup>2)</sup> The World Health Organisation- Five Well-Being Index (WHO-5) is a short self-reported measure of current mental wellbeing. The figure in the table is based on the EWCTS 2021. <sup>3)</sup> 20 cases or less per cell. <sup>4)</sup> 2022.

Regarding employability, Portugal scores higher than in the EU in participation in education or training for those aged 55 and over, with 8.1 for men and 10.3 for women, which is very close to the EU average for women. However, job insecurity among employees aged 55 and over seems to be higher in Portugal for both men and women compared to the EU27 but sample sizes are very small..

Lastly, a significantly lower percentage of employees aged 55 and over in Portugal record that they are paid appropriately compared to the EU27 average. However, Portugal scores better with a higher proportion of older workers in jobs with high job quality than the EU, for both men and women.

## Activities related to working conditions

According to the stakeholders, most of the measures and activities related to working conditions for older workers do not stem from a general age-diversity promotion strategy but rather consist of ad hoc measures implemented in a few companies such as adapting the working space to alleviate physically demanding activities or providing training to older workers.

However, there are some policy measures that are applicable to the whole workforce, including older workers. Stakeholders stated that at the beginning of the 2000s, the country started to implement targeted policies to enhance adult education, and as the global financial crisis led to very high unemployment rates (that is also reflected in Figure 1), this focus on adult education and training gained more importance in the 2010s. The [Qualifica Programme](#) is a result of this adult education strategy. It targets adults with incomplete education and training paths and aims to improve the qualification levels, contributing to the progression of the population's qualifications and improving the employability of individuals.

In the scope of the Qualifica Programme, a national network of specialised centres for adult qualification was created - the **Qualifica Centres** - which have a wide coverage of the national territory and are promoted by different types of entities such as schools, training centres of the IEFP, municipal councils, companies and business associations or local development associations. This programme seeks to increase the qualification levels and improve the employability of adults of active age, providing them with skills adjusted to the needs of the labour market, to significantly reduce illiteracy rates, both literal and functional, also combating semi-literacy and illiteracy, as well as to adapt the supply and training network to the labour market needs and to the national and regional development models.

Moreover, within the Digital Transition Action Plan ([Plano de Ação para a Transição Digital de Portugal \(portugaldigital.gov.pt\)](#) adopted in 2020, several initiatives have a focus on the digital skills of older people or older workers. Adult Digital Inclusion Programme is an educational project for the digital inclusion of one million adults by 2023, based on a national network of 10,000 young volunteers and 950 training centres. The basic training content covered in the programme involves, among others, the creation and management of the e-mail account, the ability to search online, consult and use digital public services, access to services such as home banking or access to social networks.

INCoDe.2030 ([Iniciativa Nacional Competências e.2030 – INCoDe 2030](#)) is another integrated public policy initiative, launched in 2017, which aims to promote digital skills. This initiative assumes that digital skills are essential for the full exercise of citizenship, also acting as a facilitator of employability by responding to the demands of the growing digitisation of the labour market. The programme includes measures about qualification and requalification, addressed to the professional training of active adults, providing them with the digital skills valued in the integration and reintegration in the labour market and to qualify for employment. One of the specific aims is to strengthen the digital skills of workers in public functions as a fundamental condition for the digital transition of the State and Public Administration. For example, the IAMDIGITAL ([EUSOUDIGITAL](#)) Digital Training Programme targets thousands of Portuguese adults aged over 45 who have never used the Internet. this program teaches digital skills with the help of volunteers who are trained as mentors and supported in hundreds of centres all over the country.

## The role of social partners

In Portugal, social partners play a significant role in advocating for the rights and benefits of older workers through social dialogue and collective bargaining.

Through platforms like the [Economic and Social Council \(CES\)](#), social partners participate in discussions with the government on labour market policies, including measures targeting the ageing workforce. They contribute to policy-making processes and advocate for the interests of older workers, ensuring that their needs are considered in national strategies. In practice, discussions at the CES cover critical aspects such as the retirement age, pension formulas, and social security contributions.

The interviewees also mentioned that social partners are very active in negotiating early retirement options. For instance, in Portugal, social partners have been involved in discussions around long career retirement schemes that allow those with over 40 years of contributions to retire earlier without significant penalties. This ensures that those who started working young can still retire at a reasonable age.

Nevertheless, no further concrete examples of social partners' engagement in protecting older workers rights were found.

## Policy pointers

- Interviewees highlighted the need for an integrated strategy to retain older workers, with policies focusing on creating flexible work models that accommodate the specific needs of older individuals while also providing family-related services for more balanced care work.
- The government could further develop targeted upskilling and reskilling programmes for older workers in collaboration with businesses and educational institutions. This would be needed, especially in industries experiencing labour shortages, such as healthcare, education, and retail. In these industries, older workers' skills could be valuable.
- The government could develop and implement sector-specific workforce retention and support strategies, especially in fields with high physical or mental demands, to promote sustainable employment for older workers.

- Although the law does not impede a gradual retirement process, there are currently no incentives for older workers and companies. Therefore, the government could implement public policies that can effectively allow for a gradual transition to retirement, for example, by introducing part-time work measures and paying part of the salaries of older workers in this period.
- There is also a need for a long-term national ageing strategy that goes beyond employment policies and addresses active ageing in the context of broader social issues, such as healthcare, education, and fair wages.

# References

Interviews were carried out with the following persons:

- Inês Carneiro e Sousa, Associate Researcher at the CIES-Iscte - Centre for Research and Studies in Sociology-University Institute of Lisbon (ESPP-Escola de Sociologia e Políticas Públicas)
- Luís Manuel Ribeiro, Director of the Training Department at the (IEFP – Institute of Employment and Professional Training)
- Hugo Dionísio, Research Department Specialist at the General Confederation of Portuguese Workers – National Inter-Union)
- Adélia Costa, Director of the Employment Department at the IEFP (Institute of Employment and Professional Training)

## Other sources

Cruz, A., & Barata, M. (2015). Occupational health and safety in Portugal: Contributions to a future national strategy. *Safety and Health at Work*, 6(4), 344–351.  
<https://doi.org/10.1016/j.shaw.2015.07.002>

Eurostat (2023), *Demography of Europe – 2023 edition*, available at:  
<https://ec.europa.eu/eurostat/web/interactive-publications/demography-2023>

Eurostat (2024), Population structure indicators at national level  
[demo\_pjanind\_\_custom\_11356692]

Goda, G. S., Jackson, E., Nicholas, L. H., & Stith, S. S. (2023). The impact of Covid-19 on older workers' employment and Social Security spillovers. *Journal of population economics*, 36(2), 813-846.

Instituto Nacional de Estatística (2024). PENSION AND LABOUR MARKET PARTICIPATION – Labour Force Survey regular module, Press Release.  
[https://www.ine.pt/ngt\\_server/attachfileu.jsp?look\\_parentBoui=665727988&att\\_display=n&att\\_download=y](https://www.ine.pt/ngt_server/attachfileu.jsp?look_parentBoui=665727988&att_display=n&att_download=y)

Jiang, K., Zhang, Z., Hu, J., & Liu, G. (2022). Retirement intention of older workers: The influences of high-involvement work practices, individual characteristics, and economic environment. *Personnel Psychology*, 75(4), 929-958.

Li, Y., Turek, K., Henkens, K., & Wang, M. (2023). Retaining retirement-eligible older workers through training participation: The joint implications of individual growth need and organizational climates. *Journal of Applied Psychology*, 108(6), 954.

Sousa, I. C., Ramos, S., & Carvalho, H. (2023). 'What could make me stay at work': Retirement transition profiles. *Current Psychology*, 42(8), 6302-6314. <http://dx.doi.org/10.1007/s12144-021-01967-2>

WPEF24094

---

**The European Foundation for the Improvement of Living and Working Conditions (Eurofound) is a tripartite European Union Agency established in 1975. Its role is to provide knowledge in the area of social, employment and work-related policies according to Regulation (EU) 2019/127.**