Age substitution, 117 Anderson, K. H., 19 Assous, L., 55 Atkinson, A. B., 67–68, 77–79 Auditing, health status, 82, 84, 88–94, 97–106, 120	Deferred compensation, 109 Defined-benefit (DB) plan, 44, 51, 121–122 Defined-contribution (DC) plan, 44, 121 Demand side, 107–118, 120–121 Lazear model, 109–111 seniority-based pay, 108–109 wage-productivity gap, 107, 111–115
Bazzoli, G. J., 19	youth unemployment, 115–118
Belgium, 36	Deniau, N., 113–114
disability pensions, 8	Denmark, 36
increasing retirement age, 61–62	De Vits, E., 55
old-age pensions, 7	Diamond, P., 38, 51, 67, 78, 105–106, 122
preferred retirement age, 54–55	Disability insurance, 4, 8, 38
seniority-based pay, 108	health status, 20–22
unemployment compensation, 104	retirement age, 12–15
Beveridgean system, 40–42	and retirement decision, 81–82
Bismarckian system, 40–41, 43	and social security wealth, 34
Blundell, R., 34	Disability insurance model, 81–106, 120
Boeri, T., 54	auditing, 82, 84, 88-94, 97-106
Boldrin, M., 116	numerical illustrations, 93-94, 101-102
Börsch-Supan, A., 54	optimum/laissez-faire solutions, 86-87,
Boskin, M. J., 19	93–95, 103
Bound, J., 20, 83, 106	Paretian function, 86, 103
Britain. See United Kingdom	paternalistic approach, 94-102
Burkhauser, R. V., 19–20	policy, 84–85
Canada, 36 Cohn, E., 111–112	preferences and individuals, 83–84, 91–94, 100–103 retirement age, 91, 94, 103
Coile, C., 29, 33	second-best solutions, 87–93, 95–101, 103
Compensated demand derivatives, 76	social insurance, 85
Contributory pension system, 37, 40–41	social weights, 85–86
Crawford, V. P., 38	Disney, R., 47
Cremer, H., 50, 83, 90, 99	Dohmen, T., 115
Crepon, B., 113–114	Dolado, J. J., 116

Earnings. *See* Wage income Earnings tests, 47–50, 122

Debt policy, 67–68, 76–77, 79 Decentralization, 73–74, 94–95

Effective retirement age, 12–15 peak-value approach, 29-31, 34 Employment. See Unemployment and retirement decisions, 33-36 Employment rate, 5–6 in retirement model, 42-44 England. See United Kingdom single-year accruals, 23-29 Implicit tax on postponed activity, 40 Fabel, D., 38 Incentive constraints, 88–92, 99 Income. See Wage income Feldstein, M., 38 Fenge, R., 25 Induced-retirement approach, 38 Ferrera, M., 54 Intertemporal equilibrium, 71–72 Flabbi, L., 114 Italy Flexible retirement, 122 disability pensions, 8 France, 36 maximal social security wealth, 30 old-age pensions, 7-8 attitudes to retirement age, 54-55 longevity, 1 maximal social security wealth, 30 Jacobs, L., 54 residual lifetime, 16 Japan, 36 wage-productivity gap, 113-114 Jimeno, J. F., 116 Friedberg, L., 48 Job-performance ratings, 114–115 Fully funded (FF) system, 37, 40–42, 45– Kerkhofs, M., 20 Kiker, B. F., 111-112 Germany, 12-15, 36 Klette, T. J., 113 attitudes to raising retirement age, 54 Köszegi, B., 38, 122 disability pensions, 8, 12 duration of pensions, 16-17 Labor supply, 2–3, 45 health status, 20-21 Labor-demand forces, 3, 107. See also implicit taxation, 24-27 Demand side labor-force status, 8-10 Labor-force status, 5-7 maximal social security wealth, 30 participation rate, 79, 119 old-age pensions, 7 unused capacity, 28-29 pensioners, 10-12 Laibson, D., 38 preretirement scheme, 10 Laissez-faire solution, 87, 95 Lazear, E. P., 38, 108, 110-112 Greece, 7 Gruber, J., 26-31, 33, 35, 43 Lazear model, 109-111 Leisure benefit, 32-34 Hamermesh, D. S., 117 Leisure-prone workers, 84, 104 Health, 1–2, 17–22. See also Disability Levine, P., 117 Life expectancy, 15–17, 51, 119, 122 insurance and social security wealth, 34 Lilien, D. M., 38 testing, 82, 84, 88-94, 97-105 Lindeboom, M., 20 Hebbink, G. E., 117 Longevity, 1, 15–17, 119, 122 Hellerstein, J. K., 113 Lozachmeur, J.-M., 49-50, 83, 90, 99 Herbertsson, T., 29 Manual labor, 8 Hoegeland, T., 113 Holland. See Netherlands Marginal productivity, 109-115 Hu, S. C., 67-68, 79 Maximal social security wealth, 30-31 Hurd, M. D., 19 Means tests, 47–50 Meghir, C., 34 Michel, P., 72-73 Ichino, A., 114 Implicit taxation, 2–3, 23–36

Mirrlees, J., 38, 105

Mitchell, O., 34, 117 Moore, R. L., 112

defined, 23, 26

option-value approach, 32-35

Mortality, 19 Pestieau, P., 50, 72-73, 83, 90, 99 Mulligan, C., 65 Phillips, J., 34 Myers, R. J., 19 Pigouvian subsidy, 95 Policy recommendations, 119-121 Net social security wealth, 40 Portability, 121-122 Netherlands, 36 Portugal, 8 attitudes to raising retirement age, 54 Preretirement compensation, 10 disability pensions, 8 Pressure groups, 65 maximal social security wealth, 30-31 Productivity profiles, 109–115 seniority-based pay, 108 wage-productivity gap, 115 Quinn, J. F., 19 Neumark, D., 113 Redistributive pension system, 37, 40-41, Neutral social security benefits, 122 Reform, social Old-age pensions, 7–8, 10–12 Oliviera, M. de, 111-112 attitudes toward raising retirement age, Optimal-tax approach, 2 54 - 55Option-value approach, 32–35 enforcing, 64-65 Orszag, J. M., 29 resistance to, 62-64 Overlapping-generations model, 67-79 retirement model, 45-47 debt policy, 67–68, 76–77, 79 and wage income, 60-62 decentralization, 73-74 Reservation wage, 109 government, 71 Retirement age, 12-15 households, 69-70 attitudes to raising, 54-55 intertemporal equilibrium, 71-72 determination of, 65-66 optimal growth, 72-73 disability insurance model, 91, 94, 103 production, 70-71 overlapping-generations model, 73–74, retirement age, 73-74, 78 second-best policy, 74-76 political selection of, 56–60 steady-state conditions, 74 postponing, 60-62 tax structure, 68, 77-79 and tax force, 26-29 Retirement model, 37-51 Paretian function, 86, 103 distortions, 51 Parsons, D., 19, 82-83, 106 earnings tests, 47-50 PAYG system, 37, 40-47, 60, 67, 71 and empirical model, 60-62 Peak-value approach, 29-31, 34 implicit tax, 42-44 Pension systems. See also Disability individual utility, 62-64 labor supply, 45 insurance contributory/redistributive, 37, 40-41, 48 optimal tax rates, 44-45, 58-60 DB/DC, 44, 51 pension systems, 40-42 FF, 37, 40–42, 45–47 retirement age selection, 56-58 old-age, 7-8, 10-12 social security reforms, 45-47 PAYG, 37, 40–47, 60, 67, 71 terminology, 38–39 Retirement rates, 35-36 portability, 121–122 reform, 54, 120-121 retirement age, 12-15 Sala-i-Martin, X., 65 types of, 40-42 Samuelson, P. A., 67 Sandmo, A., 67-68, 77-79 and unemployment, 8-10, 115-118 Schoenbaum, M., 20 Peppermans, G., 54 Perez-Duarte, S., 113-114 Schokkaert, E., 54 Second-best solution, 74-76, 87-93, 95-Performance ratings, 114–115 Perrachi, F., 116 101

Second careers, 122 Seniority-based pay, 108-109 Shapiro, R., 54 Sheshinski, E., 106 Single-year accrual, 23–29 Smith, S., 34, 47 Social security wealth accrual rates, 24-25 defined, 23 maximal, 30-31 net, 40 and PAYG system, 41-42 peak value, 29-31 tax force, 26-29 and wage income, 26, 32-33, 42 Spain, 8 longevity, 15 maximal social security wealth, 31 Stiglitz, J. E., 78 Stinebrickner, T. R., 20 Stock, J. H., 32 Sweden, 36 maximal social security wealth, 30 seniority-based pay, 108

Tabellini, G., 54
Tax, implicit. See Implicit taxation
Tax, optimal, 44–45
Tax distortion, 40
Tax force, 26–29
Theeuwes, J., 20
Time inconsistency, 122
Troska, K. R., 113

Unemployment, 81, 104-105 monitoring, 120 and preretirement compensation, 10 and public pensions, 8-10, 115-118 and severance pay, 111 youth, 55, 107, 115-118 United Kingdom, 36 disability insurance, 35 social security wealth, 30, 34-35 United States, 36 attitudes toward retirement age hike, 54 disability insurance, 82-83 maximal social security wealth, 31 retirement rate, 35 seniority-based pay, 108 wage-productivity gap, 113 Unprepared retirement, 38 Utility function, 32–33

Verhue, M., 54

Wage income impact of reforms on, 61–62 and productivity, 107, 109–115 seniority-based, 108–109 and social security wealth, 26, 32–33, 42 Waidmann, T., 20 Werding, M., 25 Wise, D. A., 26–28, 30–32, 35, 43 Women age substitution, 117 duration of pensions, 17 longevity, 15 old-age pensions, 7 retirement age, 13–15 Work-force participation rate, 79, 119

Youth employment, 55, 107, 115-118