

Flexible solutions for a rising state pension age

Pension companies are increasingly offering improved terms that make it more attractive to continue working beyond the state pension age.

By Martin Wex

The number of Danes who have chosen to continue working after reaching state pension age is close to 100,000. To be precise, 98,984 state pensioners were still in work in June 2026 – the highest number ever and an increase of no less than 45 percent since June 2023, when 68,232 state pensioners were still in the labour market. This is according to figures from the Danish Agency for Labour Market and Recruitment.

This is good news for the many companies that are short of staff and have a strong interest in ensuring that their most experienced employees choose to remain in the labour market for longer. However, according to the Danish Center for Social Science Research (VIVE), this also places demands on workplaces to adapt employment conditions to suit older employees.

“

A number of working conditions must be in place if it is to be attractive for older employees to remain in the labour market for longer

Helle Guldager

Senior Advisor, WTW

»We know from the studies carried out by VIVE that a number of working conditions must be in place if it is to be attractive for older employees to remain in the labour market for longer. This requires flexibility in terms of working hours, tasks and workload, the opportunity to undertake further training or act as a mentor to younger employees, and to continue to feel like a valued colleague,« says WTW's Senior Advisor Helle Guldager, who advises companies and employees on the transition to retirement.

Better insurance terms

The rising number of employees choosing to continue working beyond state pension age also places demands on pension companies to adapt their terms and conditions to this new reality.

»Until 10 years ago, the insurance policies included in a pension plan typically expired when the employee turned 67, as that was the statutory state pension age for most people. However, following the introduction of the individual state pension age, insurance cover was amended to remain in force until each employee reached their own personal state pension age. We are now increasingly seeing insurance cover that only expires several years after the employee reaches the state pension age,« says Senior Placement Specialist Rune Nielsen from WTW.

It is the insurance cover for certain critical illnesses and in the event of death that, in several of the most recent pension agreements that WTW has negotiated with pension companies, only expires when the employee turns 72 or 75 – provided, of course, that he or she remains in employment.

Flexible retirement age

Older employees' desire for flexibility has also influenced the options available to some employees to make a gradual transition to retirement age.

“

We are now increasingly seeing insurance cover that only expires several years after the employee reaches the state pension age

Rune Nielsen

Senior Placement Specialist, WTW

»Some pension companies now offer employees who choose to work part-time towards the end of their careers the option to start receiving partial payments from their retirement savings. This allows them to work fewer hours, continue saving for the hours they do work, and at the same time retain a reasonable monthly disposable income. This can make it even more attractive to stay in the labour market for longer,« says Rune Nielsen.

Ripples in the water

For the time being, these improvements are only offered by some pension companies and apply only to certain companies, but Rune Nielsen expects them to become gradually more widespread.

»As with most other improvements, they are introduced bit by bit through negotiation before they become standard terms and conditions; consequently, not all agreements currently stipulate that insurance cover expires after state pension age, or that there is the option of a phased transition to retirement. But these are certainly requirements that we bring to the table in negotiations with pension companies if the client so wishes, and something that we expect will spread like ripples on water and become standard practice over time,« says Rune Nielsen.

Contact WTW if you wish to explore the possibilities of securing an even better pension agreement.