

Effects of Extra Paid Vacation for Elderly Employees on Health and Labor Market Behavior

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This study examines the impact of an additional week of paid vacation on sickness absence and employment among Norwegian workers aged 60 and above. Utilizing a difference-in-differences design, we exploit age-based eligibility thresholds before and after a 2009 policy change. Our findings indicate that the extra week of paid vacation has negligible effects on both employment, sickness absence and disability benefit receipt in the year workers receive it. These results suggest that, while the policy aims to improve well-being and labor market attachment among older workers, its immediate impact may be limited. Effects accumulating over several years are not captured within the scope of this study.