

Allianz International Pensions

# Country Factsheets

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Allianz 

## Masthead

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### No duty to update

The company assumes no obligation to update any information contained herein.

## COUNTRIES

### 3 Western Europe

|           |                    |                   |
|-----------|--------------------|-------------------|
| 4 Austria | 10 Greece          | 16 Norway         |
| 5 Belgium | 11 Ireland         | 17 Portugal       |
| 6 Denmark | 12 Italy           | 18 Spain          |
| 7 Finland | 13 Luxemburg       | 19 Sweden         |
| 8 France  | 14 Malta           | 20 Switzerland    |
| 9 Germany | 15 The Netherlands | 21 United Kingdom |

### 22 Eastern Europe

|                   |              |             |
|-------------------|--------------|-------------|
| 23 Bulgaria       | 28 Latvia    | 33 Slovakia |
| 24 Croatia        | 29 Lithuania | 34 Slovenia |
| 25 Czech Republic | 30 Poland    | 35 Turkey   |
| 26 Estonia        | 31 Romania   |             |
| 27 Hungary        | 32 Russia    |             |

### 36 Middle East

|            |                 |                         |
|------------|-----------------|-------------------------|
| 37 Jordan  | 40 Qatar        | 42 United Arab Emirates |
| 38 Lebanon | 41 Saudi Arabia |                         |
| 39 Oman    |                 |                         |

### 43 Asia / Pacific

|              |                |                |
|--------------|----------------|----------------|
| 44 Australia | 49 Japan       | 54 South Korea |
| 45 China     | 50 Malaysia    | 55 Taiwan      |
| 46 Hong-Kong | 51 New Zealand | 56 Thailand    |
| 47 India     | 52 Philippines |                |
| 48 Indonesia | 53 Singapore   |                |

### 57 Americas

|              |             |                  |
|--------------|-------------|------------------|
| 58 Argentina | 61 Chile    | 64 Peru          |
| 59 Brazil    | 62 Colombia | 65 United States |
| 60 Canada    | 63 Mexico   |                  |

### 66 Africa

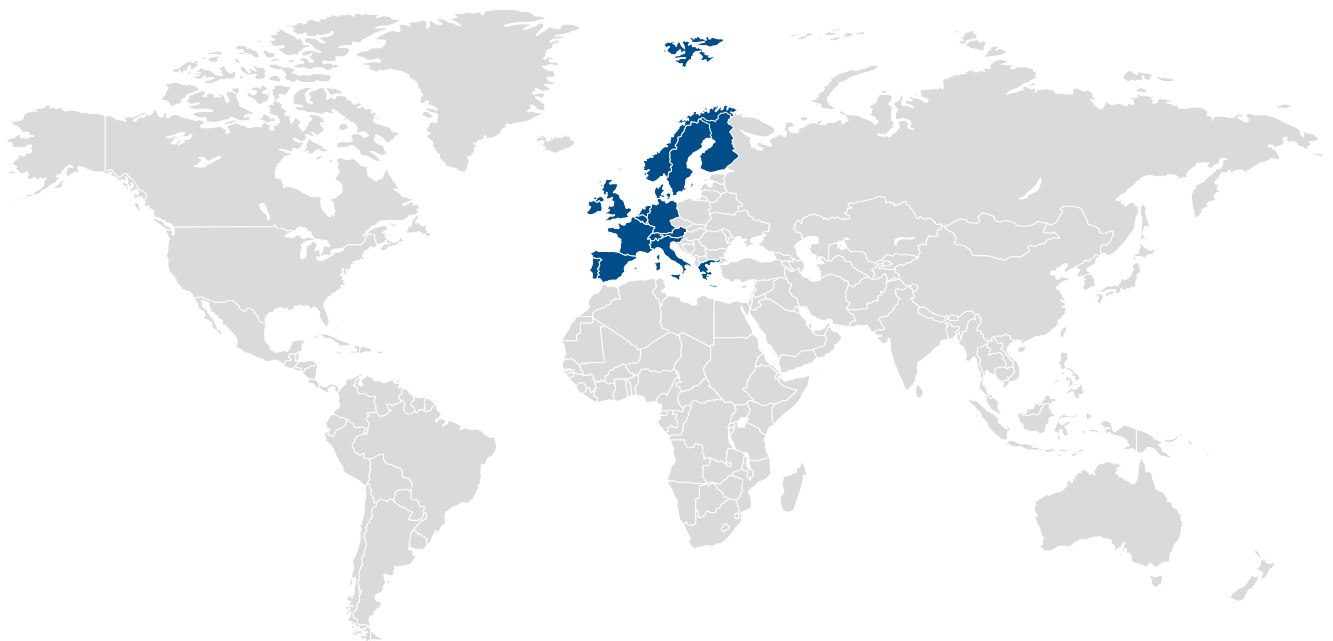
|          |                 |
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| 67 Egypt | 68 South Africa |
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### 70 Abbreviations

### 71 References

# Western Europe





# The Austrian Pension System

## POSITION IN INDICES:

Pension Sustainability Index 2014: Yellow

## THE PENSION SYSTEM IN A NUTSHELL:

| Public Pillar  | Occupational Pillar  | Personal Pillar   |
|--|--|---|
| <ul style="list-style-type: none"> <li>• PAYG</li> <li>• Earnings-related</li> <li>• Statutory Retirement Age: 65 (Men) / 60 (Women) to be raised to 65 (2024-2033)</li> <li>• Contribution Rate (EE: 10.25%; ER: 12.55%)</li> <li>• Replacement rate (gross) – 76.6%</li> </ul> | <ul style="list-style-type: none"> <li>• Mandatory severance pay system with annuity payments as an option (contribution rate: ER: 1.53%)</li> <li>• Capital funded</li> <li>• Contributions are tax deferred</li> <li>• Replacement rate – NA</li> <li>• Major shift towards DC</li> <li>• Pension Assets (2013) – 5.6% of GDP</li> <li>• Coverage (2013): 17.7%</li> </ul> | <ul style="list-style-type: none"> <li>• Tax deductions</li> <li>• State-sponsored additional pension insurance</li> <li>• Coverage (2011) – 18%</li> </ul> |

## REFORMS ON AGENDA:

## KEY FIGURES:

|  | 2000                  | 2015                  | 2050                  |
|--|-----------------------|-----------------------|-----------------------|
| Population (thousands)                       | 8,100                 | 8,600                 | 9,350                 |
| Old Age Dependency Ratio                     | 23.0                  | 27.9                  | 48.1                  |
| Life expectancy at age 65 (W/M)              | 19.8/16.4 (2000-2005) | 21.8/18.5 (2015-2020) | 25.0/21.2 (2045-2050) |
| Strongest Birth Cohorts                      | 1960-1965             |                       |                       |
| Fertility Rate                               | 1.38 (2000-2005)      | 1.52 (2015-2020)      | 1.74 (2045-2050)      |
| Public pension expenditures (as %age of GDP) | 12.3%                 | 12.7% (2010)          | 14.0%                 |
| GDP per capita (Current Int \$)              | 24,000                | 52,400                | NA                    |
| Financial Assets per capita (\$)             | 41,000                | 87,300 (2013)         | NA                    |

See references in the back





# The Belgian Pension System

## POSITION IN INDICES:

Pension Sustainability Index 2014: Yellow

## THE PENSION SYSTEM IN A NUTSHELL:

| Public Pillar  | Occupational Pillar   | Personal Pillar   |
|--|---|---|
| <ul style="list-style-type: none"> <li>Earnings-related</li> <li>Non-contributory pension, means-tested</li> <li>Minimum pensions</li> <li>Statutory Retirement Age: 65 (Men) /65 (Women)</li> <li>Contribution Rate (EE: 7.5%; ER: 8.86%)</li> <li>Replacement rate (gross): 40.1%</li> </ul> | <ul style="list-style-type: none"> <li>Voluntary</li> <li>Capital funded</li> <li>Contributions are tax deferred</li> <li>Replacement rate – NA</li> <li>DB/DC</li> <li>Pension Assets (2013) – 5.2% of GDP</li> <li>Coverage: Voluntary – 45.2%</li> </ul> | <ul style="list-style-type: none"> <li>Pension savings (insurance policy or investment fund)</li> <li>Tax break up to 950 EUR (2014)</li> <li>Tax deductions also for long-term saving</li> </ul> |

## REFORMS ON AGENDA:

- Measure to raise effective retirement age by 2 years without altering the pensionable age, mainly through changing early retirement conditions; gradual increase of number of required career years

## KEY FIGURES:

|  | 2000                   | 2015                  | 2050                   |
|--|------------------------|-----------------------|------------------------|
| Population (thousands)                       | 10,250                 | 11,200                | 12,000                 |
| Old Age Dependency Ratio                     | 25.8                   | 29.0                  | 48.1                   |
| Life expectancy at age 65 (W/M)              | 19.8/ 15.9 (2000-2005) | 18.2/21.7 (2015-2020) | 24.6/ 20.7 (2045-2050) |
| Strongest Birth Cohorts                      | 1960 -1965             |                       |                        |
| Fertility Rate                               | 1.68 (2000-2005)       | 1.87 (2015-2020)      | 1.93 (2045-2050)       |
| Public pension expenditures (as %age of GDP) | 8.9%                   | 10.3% (2010)          | 14.7%                  |
| GDP per capita (Current Int \$)              | 27,800                 | 47,700                | NA                     |
| Financial Assets per capita (\$)             | 84,500                 | 134,900 (2013)        | NA                     |

See references in the back



# The Danish Pension System

## POSITION IN INDICES:

Pension Sustainability Index 2014: Green

## THE PENSION SYSTEM IN A NUTSHELL:

| Public Pillar  | Occupational Pillar  | Personal Pillar  |
|--|--|--|
| <ul style="list-style-type: none"> <li>• Basic pension, non-contributory</li> <li>• Targeted pension, non-contributory</li> <li>• DC, fully funded, collective insurance based</li> <li>• Statutory Retirement Age: 65 (Men) / 65 (Women); increase to 67 (2019-2022)</li> <li>• DC contributions shared by EE &amp; ER</li> <li>• Reserve Fund</li> <li>• Gross replacement rate – 35.2%</li> </ul> | <ul style="list-style-type: none"> <li>• Quasi-mandatory</li> <li>• Insurance contracts dominating (DC)</li> <li>• Contributions: 9%-18%</li> <li>• Contributions tax deferred</li> <li>• Pension Assets (2012) – 197% of GDP (including insurance contracts)</li> </ul> | <ul style="list-style-type: none"> <li>• Tax deductions</li> </ul> |

## REFORMS ON AGENDA:

## KEY FIGURES:

|  | 2000                  | 2015                  | 2050                  |
|--|-----------------------|-----------------------|-----------------------|
| Population (thousands)                       | 5,300                 | 5,700                 | 6,400                 |
| Old Age Dependency Ratio                     | 22.3                  | 29.1                  | 38.5                  |
| Life expectancy at age 65 (W/M)              | 18.5/15.5 (2000-2005) | 20.3/17.5 (2015-2020) | 22.9/20.2 (2045-2050) |
| Strongest Birth Cohorts                      | 1960-1965             |                       |                       |
| Fertility Rate                               | 1.76 (2000-2005)      | 1.89 (2015-2020)      | 1.94 (2045-2050)      |
| Public pension expenditures (as %age of GDP) | 5.3%                  | 9.4% (2010)           | 9.6%                  |
| GDP per capita (Current Int \$)              | 30,000                | 64,200                | NA                    |
| Financial Assets per capita (\$)             | 64,400                | 162,600 (2013)        | NA                    |

See references in the back



# The Finnish Pension System

## POSITION IN INDICES:

Pension Sustainability Index 2014: Light Green

## THE PENSION SYSTEM IN A NUTSHELL:

| Public Pillar   | Occupational Pillar  | Personal Pillar   |
|---|--|---|
| <ul style="list-style-type: none"> <li>• Non-contributory pension, residency, means-tested</li> <li>• Earnings related, PAYG (80%), partly funded (20%)</li> <li>• Pension benefits linked to life expectancy</li> <li>• Statutory Retirement Age: 65 (Men) / 65 (Women)</li> <li>• Contribution rate EE: 5.55%-7.05%; ER: 24.4% (to be increased)</li> <li>• Reserve Fund</li> <li>• Gross replacement rate – 58.8%</li> </ul> | <ul style="list-style-type: none"> <li>• Underdeveloped</li> <li>• Contributions are tax deferred</li> <li>• Contributions up to 30%</li> <li>• DB/hybrid dominating</li> <li>• Coverage (2011) – 6.4%</li> <li>• Pension Assets as % of GDP (2012): 79.3%, including reserve funds</li> </ul> | <ul style="list-style-type: none"> <li>• Tax incentives</li> <li>• Coverage (2011) – 19.1%</li> </ul> |

## REFORMS ON AGENDA:

- Increase effective retirement age by at least 3 years by 2025

## KEY FIGURES:

|  | 2000                  | 2015                  | 2050                  |
|--|-----------------------|-----------------------|-----------------------|
| Population (thousands)                       | 5,200                 | 5,500                 | 5,700                 |
| Old Age Dependency Ratio                     | 22.3                  | 32.3                  | 44.3                  |
| Life expectancy at age 65 (W/M)              | 19.8/15.9 (2000-2005) | 22.1/18.1 (2015-2020) | 25.1/20.4 (2045-2050) |
| Strongest Birth Cohorts                      | 1950-1955             |                       |                       |
| Fertility Rate                               | 1.75 (2000-2005)      | 1.86 (2015-2020)      | 1.89 (2045-2050)      |
| Public pension expenditures (as %age of GDP) | 8.5%                  | 10.7% (2010)          | 13.3%                 |
| GDP per capita (Current Int \$)              | 24,300                | 51,000                | NA                    |
| Financial Assets per capita (\$)             | 30,300                | 63,900 (2013)         | NA                    |

See references in the back



# The French Pension System

## POSITION IN INDICES:

Pension Sustainability Index 2014: Orange

## THE PENSION SYSTEM IN A NUTSHELL:

| Public Pillar   | Occupational Pillar  | Personal Pillar   |
|---|--|---|
| <ul style="list-style-type: none"> <li>• PAYG, Earnings-related</li> <li>• Minimum pensions</li> <li>• Point System</li> <li>• Retirement Age: 60 (Men) / 60 (Women); to be raised to 62 (2017) with reduced benefits</li> <li>• Full pension at 67 for people born 1955 and later</li> <li>• Contribution Rate (EE: 6.8%; ER: 8.45%); Reserve Fund</li> <li>• Replacement rate: 58.8% (gross)</li> </ul> | <ul style="list-style-type: none"> <li>• Mandatory plans, PAYG, DB</li> <li>• Voluntary DC schemes</li> <li>• Contributions are tax deferred</li> <li>• Replacement rate – NA</li> <li>• Pension Assets (2013) – 0.4% of GDP</li> <li>• Coverage: Voluntary – 16.5%</li> </ul> | <ul style="list-style-type: none"> <li>• Tax deductions</li> <li>• Coverage – 5.4%</li> </ul> |

## REFORMS ON AGENDA:

- Retirement Age to increase to 67 by year 2022; extension of the length of contributions

## KEY FIGURES:

|  | 2000                  | 2015                  | 2050                  |
|--|-----------------------|-----------------------|-----------------------|
| Population (thousands)                       | 58,900                | 65,000                | 73,200                |
| Old Age Dependency Ratio                     | 24.6                  | 29.6                  | 44.2                  |
| Life expectancy at age 65 (W/M)              | 21.5/17.0 (2000-2005) | 23.6/18.9 (2015-2020) | 26.8/21.3 (2045-2050) |
| Strongest Birth Cohorts                      | 1960-1965             |                       |                       |
| Fertility Rate                               | 1.88 (2000-2005)      | 1.98 (2015-2020)      | 1.99 (2045-2050)      |
| Public pension expenditures (as %age of GDP) | 12.0%                 | 13.5% (2010)          | 14.2%                 |
| GDP per capita (Current Int \$)              | 23,300                | 45,700                | NA                    |
| Financial Assets per capita (\$)             | 47,200                | 94,700 (2013)         | NA                    |

See references in the back





# The German Pension System

## POSITION IN INDICES:

Pension Sustainability Index 2014: Yellow

## THE PENSION SYSTEM IN A NUTSHELL:

| Public Pillar   | Occupational Pillar   | Personal Pillar   |
|---|---|---|
| <ul style="list-style-type: none"> <li>• PAYG, Earnings-related</li> <li>• Non-contributory means-tested social pension</li> <li>• Statutory Retirement Age: 65+ years (Men / Women), in the phase of gradual increase to 67 by 2029</li> <li>• Contribution Rate (EE: 9.35%; ER: 9.35% 2015)</li> <li>• Sustainability factor to adjust future benefits to life expectancy</li> <li>• Replacement rate: 57.1% (gross)</li> </ul> | <ul style="list-style-type: none"> <li>• Voluntary or by tariff agreement in the private sector</li> <li>• Capital funded</li> <li>• Contributions are tax deferred</li> <li>• DB of hybrid schemes. Capital is guaranteed in DC schemes</li> <li>• Pension Assets (2012) – 19.7% of GDP</li> <li>• Coverage: Voluntary – 50% of employees</li> </ul> | <ul style="list-style-type: none"> <li>• Voluntary</li> <li>• Subsidized plans via direct subsidies and tax breaks</li> <li>• Coverage – 40% of individuals eligible for subsidies</li> </ul> |

## REFORMS ON AGENDA:

- Reforms to support the employment of workers beyond the legal retirement

## KEY FIGURES:

|  | 2000                  | 2015                  | 2050                  |
|--|-----------------------|-----------------------|-----------------------|
| Population (thousands)                       | 82,200                | 82,600                | 72,600                |
| Old Age Dependency Ratio                     | 24.0                  | 32.7                  | 59.9                  |
| Life expectancy at age 65 (W/M)              | 19.7/16.0 (2000-2005) | 21.4/18.2 (2015-2020) | 24.4/20.8 (2045-2050) |
| Strongest Birth Cohorts                      | 1960 -1965            |                       |                       |
| Fertility Rate                               | 1.35 (2000-2005)      | 1.46 (2015-2020)      | 1.64 (2045-2050)      |
| Public pension expenditures (as %age of GDP) | 11.2%                 | 10.2% (2010)          | 12.3%                 |
| GDP per capita (Current Int \$)              | 23,000                | 48,200                | NA                    |
| Financial Assets per capita (\$)             | 46,200                | 85,600 (2013)         | NA                    |

See references in the back



# The Greek Pension System

## POSITION IN INDICES:

Pension Sustainability Index 2014: Orange

## THE PENSION SYSTEM IN A NUTSHELL:

| Public Pillar  | Occupational Pillar   | Personal Pillar   |
|--|---|---|
| <ul style="list-style-type: none"> <li>• PAYG</li> <li>• Basic pension and earnings-related</li> <li>• Auxiliary pensions</li> <li>• Statutory Retirement Age: 67 (Men) / 67 (Women), will be linked to life expectancy</li> <li>• Contribution Rate (EE: 12.22%; ER: 22.43%)</li> <li>• Gross replacement rate – 53.9%</li> </ul> | <ul style="list-style-type: none"> <li>• Underdeveloped</li> <li>• DB</li> <li>• Pension Assets (2013) – 0.1% of GDP</li> <li>• Coverage: Voluntary – 0.2%</li> </ul> | <ul style="list-style-type: none"> <li>• Tax relief is not granted specially for pension products</li> <li>• Coverage – NA</li> </ul> |

## REFORMS ON AGENDA:

- Major Pension reforms and alignments during the last 3 years; several measures are phasing in: simplification of the system and merger of auxiliary pension funds

## KEY FIGURES:

|  | 2000                  | 2015                  | 2050   |
|--|-----------------------|-----------------------|--|
| Population (thousands)                       | 10,000                | 11,100                | 10,700   |
| Old Age Dependency Ratio                     | 24.8                  | 31.1                  | 59.7   |
| Life expectancy at age 65 (W/M)              | 19.6/16.8 (2000-2005) | 21.0/18.5 (2015-2020) | 24.1/20.9 (2045-2050)  |
| Strongest Birth Cohorts                      | 1950-1960             |                       |  |
| Fertility Rate                               | 1.28 (2000-2005)      | 1.52 (2015-2020)      | 1.76 (2045-2050)   |
| Public pension expenditures (as %age of GDP) | 10.9%                 | 11.6% (2010)          | 16.0%<br>new projection by Greek Government with 2010 reforms included |
| GDP per capita (Current Int \$)              | 11,700                | 22,900                | NA   |
| Financial Assets per capita (\$)             | 22,700                | 35,900 (2013)         | NA   |

See references in the back



# The Irish Pension System

## POSITION IN INDICES:

Pension Sustainability Index 2014: Light Yellow

## THE PENSION SYSTEM IN A NUTSHELL:

| Public Pillar  | Occupational Pillar   | Personal Pillar  |
|--|---|--|
| <ul style="list-style-type: none"> <li>• Basic scheme (Contributory) offering Flat-rate pension</li> <li>• Safety Net (Non-Contributory), Means-tested</li> <li>• Statutory Retirement Age: 66 (Men) / (Women), increasing to 67 (2021), 68 (2028)</li> <li>• No separate pension contribution (variable)</li> <li>• Reserve Fund</li> <li>• Replacement rate – 36.7% (gross)</li> </ul> | <ul style="list-style-type: none"> <li>• Voluntary, earnings-related pillar supposed to complement the basic scheme</li> <li>• Funds are established in trust form</li> <li>• Contributions are tax deferred</li> <li>• Replacement rate – NA</li> <li>• DB/ DC, shift towards DC</li> <li>• Pension Assets (2013) – 56% of GDP</li> <li>• Coverage: Voluntary – 31.0%</li> </ul> | <ul style="list-style-type: none"> <li>• Tax deductions</li> <li>• Personal Retirement Savings Account (PRSA)</li> <li>• Strong link to occupational pensions</li> <li>• PRSA Pension Assets (2013) – 2.2% of GDP</li> <li>• Coverage – 12.0%</li> </ul> |

## REFORMS ON AGENDA:

- Current reform efforts are directed towards increasing pension coverage. Ireland is considering the introduction of a new universal supplementary pension savings scheme, with auto enrollment

## KEY FIGURES:

|  | 2000                  | 2015                  | 2050                  |
|--|-----------------------|-----------------------|-----------------------|
| Population (thousands)                       | 3,800                 | 4,700                 | 6,000                 |
| Old Age Dependency Ratio                     | 16.7                  | 19.2                  | 43.1                  |
| Life expectancy at age 65 (W/M)              | 18.7/15.4 (2000-2005) | 21.2/18.3 (2015-2020) | 24.2/21.3 (2045-2050) |
| Strongest Birth Cohorts                      | 2005-2010             |                       |                       |
| Fertility Rate                               | 1.97 (2000-2005)      | 1.99 (2015-2020)      | 1.97 (2045-2050)      |
| Public pension expenditures (as %age of GDP) | 3.4%                  | 4.1% (2010)           | 8.0%                  |
| GDP per capita (Current Int \$)              | 26,300                | 52,300                | NA                    |
| Financial Assets per capita (\$)             | 41,800                | 99,400 (2013)         | NA                    |

See references in the back



# The Italian Pension System

## POSITION IN INDICES:

Pension Sustainability Index 2014: Orange

## THE PENSION SYSTEM IN A NUTSHELL:

| Public Pillar  | Occupational Pillar   | Personal Pillar  |
|--|---|--|
| <ul style="list-style-type: none"> <li>Earnings-related</li> <li>Non-contributory pension, means tested</li> <li>Minimum pension</li> <li>Statutory Retirement age: 66y3m (Men) / 63y9m (Women)</li> <li>Contribution rate: 33% (Employee: 9.2%; Employer: 23.8%)</li> </ul> | <ul style="list-style-type: none"> <li>Auto-enrolment with three options: scheme in collective agreement; pension fund used by majority or supplementary pension fund</li> <li>Mainly DC plans</li> <li>Contributions can be deducted from workers taxable income (up to EUR 5,164)</li> <li>Pension Assets (2013) – 6.2% of GDP</li> <li>Coverage: Voluntary – 14.2% of the labor force</li> </ul> | <ul style="list-style-type: none"> <li>Voluntary</li> <li>Traditional and unit-linked insurance products or open pension fund; companies</li> <li>Tax deductions</li> <li>Pension Assets (2013) – 1.3% of GDP</li> </ul> |

## REFORMS ON AGENDA:

- Direct accrual of the termination indemnity (TFR) on the payroll over period 2015 – 2018 on a voluntary basis

## KEY FIGURES:

|  | 2000                  | 2015                  | 2050                  |
|--|-----------------------|-----------------------|-----------------------|
| Population (thousands)                       | 57,800                | 61,100                | 60,000                |
| Old Age Dependency Ratio                     | 27.1                  | 33.8                  | 62.3                  |
| Life expectancy at age 65 (W/M)              | 20.9/17.0 (2000-2005) | 22.7/18.9 (2015-2020) | 26.1/21.9 (2045-2050) |
| Strongest Birth Cohorts                      | 1965-1970             |                       |                       |
| Fertility Rate                               | 1.25 (2000-2005)      | 1.55 (2015-2020)      | 1.79 (2045-2050)      |
| Public pension expenditures (as %age of GDP) | 13.6%                 | 14.0% (2010)          | 14.7%                 |
| GDP per capita (Current Int \$)              | 19,500                | 35,700                | NA                    |
| Financial Assets per capita (\$)             | 57,800                | 87,800 (2013)         | NA                    |

See references in the back



# The Luxembourgish Pension System

## POSITION IN INDICES:

Pension Sustainability Index 2014: Light Yellow

## THE PENSION SYSTEM IN A NUTSHELL:

| Public Pillar  | Occupational Pillar   | Personal Pillar   |
|--|---|---|
| <ul style="list-style-type: none"> <li>• non-contributory flat rate component depending on years of coverage (approx 10% of average earnings)</li> <li>• PAYG, earnings-related component</li> <li>• Minimum pension</li> <li>• Retirement Age: Men / Women 65</li> <li>• Contribution Rate (EE: 8%; ER: 8%; State: 8%)</li> <li>• Pension reserve fund</li> <li>• Replacement rate – 87.1%</li> </ul> | <ul style="list-style-type: none"> <li>• Underdeveloped</li> <li>• Tax: TEE type (for employer), EEE type (for employee after 2000, EET type before)</li> <li>• DB &amp; DC</li> <li>• Pension assets (2013) – 2.1% of GDP</li> <li>• Coverage: Voluntary – 3.0%</li> </ul> | <ul style="list-style-type: none"> <li>• Financial incentives</li> <li>• Coverage – NA</li> </ul> |

## REFORMS ON AGENDA:

## KEY FIGURES:

|  | 2000                  | 2015                  | 2050                  |
|--|-----------------------|-----------------------|-----------------------|
| Population (thousands)                       | 440                   | 540                   | 700                   |
| Old Age Dependency Ratio                     | 21.0                  | 21.2                  | 39.0                  |
| Life expectancy at age 65 (W/M)              | 19.9/16.0 (2000-2005) | 21.5/18.1 (2015-2020) | 24.7/20.8 (2045-2050) |
| Strongest Birth Cohorts                      | 1995-2000             |                       |                       |
| Fertility Rate                               | 1.65 (2000-2005)      | 1.71 (2015-2020)      | 1.83 (2045-2050)      |
| Public pension expenditures (as %age of GDP) | 7.5%                  | 8.6% (2010)           | 22.1%                 |
| GDP per capita (Current Int \$)              | 46,500                | 118,300               | NA                    |
| Financial Assets per capita (\$)             | 89,600                | 108,000 (2013)        | NA                    |

See references in the back



# The Maltese Pension System

## POSITION IN INDICES:

Pension Sustainability Index 2014: Dark Orange

## THE PENSION SYSTEM IN A NUTSHELL:

| Public Pillar  | Occupational Pillar  | Personal Pillar   |
|--|--|---|
| <ul style="list-style-type: none"> <li>• PAYG, contributory</li> <li>• Mandatory, earnings related</li> <li>• Non-contributory, means tested</li> <li>• Statutory Retirement Age: men / women 62 (to increase to 65 by 2027)</li> <li>• Contribution rates: EE/ER 10% each; state contribution of 50% of EE/ER amount</li> <li>• Required contribution period for full pension: 35 years (to increase to 40 by 2027)</li> <li>• Gross replacement rate: 59%</li> </ul> | <ul style="list-style-type: none"> <li>• Not wide spread outside public sector</li> <li>• Pension Assets (2013): 17.0% of GDP</li> </ul> | <ul style="list-style-type: none"> <li>• Plans for Personal Retirement Scheme and Individual savings account (ISA) launched in 2014</li> <li>• Tax incentives and financial support for families</li> </ul> |

## REFORMS ON AGENDA:

## KEY FIGURES:

|  | 2000                  | 2015                  | 2050                  |
|--|-----------------------|-----------------------|-----------------------|
| Population (thousands)                       | 410                   | 430                   | 420                   |
| Old Age Dependency Ratio                     | 16.0                  | 26.0                  | 50.4                  |
| Life expectancy at age 65 (W/M)              | 15.4/18.2 (2000-2005) | 17.3/19.9 (2015-2020) | 20.5/23.1 (2045-2050) |
| Strongest Birth Cohorts                      | 1950-1954             |                       |                       |
| Fertility Rate                               | 1.4 (2000-2005)       | 1.4 (2015-2020)       | 1.6 (2045-2050)       |
| Public pension expenditures (as %age of GDP) | NA                    | 10.5%                 | 13.4%                 |
| GDP per capita (Current Int \$)              | 10,630                | 25,100                | NA                    |
| Financial Assets per capita (\$)             | NA                    | 60,000 (2013)         | NA                    |

See references in the back





# The Dutch Pension System

## POSITION IN INDICES:

Pension Sustainability Index 2014: Green

## THE PENSION SYSTEM IN A NUTSHELL:

| Public Pillar  | Occupational Pillar  | Personal Pillar  |
|--|--|--|
| <ul style="list-style-type: none"> <li>• PAYG, Basic pension</li> <li>• Statutory Retirement Age: Men and Women: 65 and 2 month, increase to 67 by 2021 link to life expectancy thereafter</li> <li>• Contribution Rate (EE: 17.9%; ER: 0%)</li> <li>• Replacement rate – 29.5%</li> </ul> | <ul style="list-style-type: none"> <li>• Quasi-mandatory</li> <li>• Financial incentives, tax: EET</li> <li>• Replacement rate – 61.1%</li> <li>• DB dominating</li> <li>• Pension Assets (2013) – 159% of GDP</li> <li>• Coverage: Mandatory – 91.0%</li> </ul> | <ul style="list-style-type: none"> <li>• Financial incentives, tax: EET</li> <li>• Coverage – 28.3%</li> </ul> |

## REFORMS ON AGENDA:

- New financial assessment framework for pension funds
- Law on improvement communication of pension
- Accrual rates for average and final pay DB schemes will be lowered

## KEY FIGURES:

|  | 2000                  | 2015                  | 2050                  |
|--|-----------------------|-----------------------|-----------------------|
| Population (thousands)                       | 15,900                | 16,800                | 16,900                |
| Old Age Dependency Ratio                     | 20.0                  | 27.8                  | 47.4                  |
| Life expectancy at age 65 (W/M)              | 19.5/15.8 (2000-2005) | 20.9/17.6 (2015-2020) | 24.0/20.7 (2045-2050) |
| Strongest Birth Cohorts                      | 1960-1965             |                       |                       |
| Fertility Rate                               | 1.73 (2000-2005)      | 1.77 (2015-2020)      | 1.86 (2045-2050)      |
| Public pension expenditures (as %age of GDP) | 5.7%                  | 6.5% (2010)           | 10.3%                 |
| GDP per capita (Current Int \$)              | 25,700                | 42,200                | NA                    |
| Financial Assets per capita (\$)             | 86,500                | 118,700 (2013)        | NA                    |

See references in the back



# The Norwegian Pension System

## POSITION IN INDICES:

Pension Sustainability Index 2014: Dark Green

## THE PENSION SYSTEM IN A NUTSHELL:

| Public Pillar  | Occupational Pillar   | Personal Pillar  |
|--|---|--|
| <ul style="list-style-type: none"> <li>• Old &amp; new system in place</li> <li>• Old (&lt;1953): Non-contr., means-tested, Earnings-related, PAYG</li> <li>• New (&gt;1963): NDC, PAYG</li> <li>• Minimum pension</li> <li>• Transitional arrangements for cohorts 1953-1963</li> <li>• Contribution rate EE: 7.8%; ER:0-26.6%</li> <li>• Flexible retirement entry</li> <li>• Gross replacement rate – 45.7%</li> <li>• Government pension fund</li> </ul> | <ul style="list-style-type: none"> <li>• Mandatory since 2006</li> <li>• DB major shift to DC</li> <li>• Insurance contracts dominating</li> <li>• Financial incentives, tax: EET</li> <li>• Contributions ER ≥ 2%</li> <li>• Gross replacement rate – 6,8%</li> <li>• Pension assets (2013) as % of GDP 39.6%</li> <li>• Coverage – 68.1%</li> </ul> | <ul style="list-style-type: none"> <li>• Financial incentives</li> <li>• Typically DC plans with 3% contribution rate</li> <li>• Replacement rate 11.3%</li> <li>• Coverage – 23.2%</li> </ul> |

## REFORMS ON AGENDA:

- As of 2014, greater flexibility for Employers in designing and funding occupational pension plans was introduced. The rules favor DC and Hybrid plans (through tax advantages and higher maximum contribution limits)

## KEY FIGURES:

|  | 2000                  | 2015                  | 2050                  |
|--|-----------------------|-----------------------|-----------------------|
| Population (thousands)                       | 4,500                 | 5,100                 | 6,600                 |
| Old Age Dependency Ratio                     | 23.4                  | 25.2                  | 38.0                  |
| Life expectancy at age 65 (W/M)              | 20.0/16.4 (2000-2005) | 21.8/18.6 (2015-2020) | 24.5/21.0 (2045-2050) |
| Strongest Birth Cohorts                      | 1965-1970             |                       |                       |
| Fertility Rate                               | 1.81 (2000-2005)      | 1.93 (2015-2020)      | 1.94 (2045-2050)      |
| Public pension expenditures (as %age of GDP) | 4.8%                  | 9.6% (2010)           | 13.3%                 |
| GDP per capita (Current Int \$)              | 37,400                | 100,400               | NA                    |
| Financial Assets per capita (\$)             | 43,000                | 108,300 (2013)        | NA                    |

See references in the back



# The Portugese Pension System

## POSITION IN INDICES:

Pension Sustainability Index 2014: Light Orange

## THE PENSION SYSTEM IN A NUTSHELL:

| Public Pillar  | Occupational Pillar  | Personal Pillar   |
|--|--|---|
| <ul style="list-style-type: none"> <li>• PAYG, contributory pension</li> <li>• Non-contributory pension for those not covered by contributory, means tested</li> <li>• Statutory Retirement Age: men / women 66 (to increase to 67 by 2029)</li> <li>• Contribution rates: EE: 11%, ER: 23.75%; 26.94%age points go into pension; state</li> <li>• Social Security Trust Fund as buffer</li> <li>• Sustainability factor to adjust future benefits to life expectancy</li> <li>• Gross replacement rate 54.7%</li> </ul> | <p>Mandatory schemes for special occupations (process of convergence with pillar I), DB</p> <p>Voluntary</p> <ul style="list-style-type: none"> <li>• DC</li> <li>• Financial incentives, tax: EET</li> <li>• Employer contribution approximately 3%</li> <li>• Pension Assets (2013) – 9.1% of GDP</li> <li>• Coverage: 3.3%</li> </ul> | <ul style="list-style-type: none"> <li>• Financial incentives, tax: ETT</li> <li>• Coverage – 5.1%</li> </ul> |

## REFORMS ON AGENDA:

- Discussion about the continuation of measure taken during the financial and economic crisis

## KEY FIGURES:

|  | 2000                  | 2015                  | 2050                  |
|--|-----------------------|-----------------------|-----------------------|
| Population (thousands)                       | 10,000                | 10,600                | 9,900                 |
| Old Age Dependency Ratio                     | 24.0                  | 29.3                  | 64.3                  |
| Life expectancy at age 65 (W/M)              | 19.1/15.7 (2000-2005) | 21.2/17.8 (2015-2020) | 24.7/20.5 (2045-2050) |
| Strongest Birth Cohorts                      | 1960-1965             |                       |                       |
| Fertility Rate                               | 1.45 (2000-2005)      | 1.33 (2015-2020)      | 1.62 (2045-2050)      |
| Public pension expenditures (as %age of GDP) | 7.9%                  | 11.9% (2010)          | 13.3%                 |
| GDP per capita (Current Int \$)              | 11,500                | 22,100                | NA                    |
| Financial Assets per capita (\$)             | 30,000                | 51,800 (2013)         | NA                    |

See references in the back



# The Spanish Pension System

## POSITION IN INDICES:

Pension Sustainability Index 2014: Orange

## THE PENSION SYSTEM IN A NUTSHELL:

| Public Pillar  | Occupational Pillar  | Personal Pillar  |
|--|--|--|
| <ul style="list-style-type: none"> <li>• PAYG, DB</li> <li>• Minimum pensions</li> <li>• Statutory Retirement Age: Men and Women: 65y2m to be increased to 67 by 2027</li> <li>• Contribution Rate (EE: 4.7%; ER: 23.6%)</li> <li>• Sustainability factor by 2019</li> <li>• Reserve Fund</li> <li>• Net replacement rate – 80.1%</li> </ul> | <ul style="list-style-type: none"> <li>• Low coverage</li> <li>• Financial incentives, tax: EET</li> <li>• Historically DB plans, converting into DC</li> <li>• Lump-sum payments of the whole capital possible</li> <li>• Pension Assets (2013) – 3.3% of GDP</li> <li>• Coverage: 9% of labour force (2013)</li> </ul> | <ul style="list-style-type: none"> <li>• Declining coverage rate</li> <li>• Low contributions</li> <li>• Financial incentives, tax: EET</li> <li>• Pension assets: 5% of GDP</li> <li>• Coverage – 34% of the labour force (2013)</li> </ul> |

## REFORMS ON AGENDA:

- Reduction of the complexity and the inequality of the system
- Reforms to increase complementary savings in the second pillar and to foster contributions to private saving plans (third pillar)

## KEY FIGURES:

|  | 2000                  | 2015                  | 2050                  |
|--|-----------------------|-----------------------|-----------------------|
| Population (thousands)                       | 39,900                | 47,200                | 48,200                |
| Old Age Dependency Ratio                     | 24.7                  | 27.6                  | 66.9                  |
| Life expectancy at age 65 (W/M)              | 20.8/16.8 (2000-2005) | 23.1/18.8 (2015-2020) | 26.4/21.3 (2045-2050) |
| Strongest Birth Cohorts                      | 1970-1975             |                       |                       |
| Fertility Rate                               | 1.29 (2000-2005)      | 1.57 (2015-2020)      | 1.79 (2045-2050)      |
| Public pension expenditures (as %age of GDP) | 8.6%                  | 8.9% (2010)           | 15.5%                 |
| GDP per capita (Current Int \$)              | 14,500                | 30,600                | NA                    |
| Financial Assets per capita (\$)             | 28,200                | 55,000 (2013)         | NA                    |

See references in the back



# The Swedish Pension System

## POSITION IN INDICES:

Pension Sustainability Index 2014: Dark Green

## THE PENSION SYSTEM IN A NUTSHELL:

| Public Pillar  | Occupational Pillar   | Personal Pillar   |
|--|---|---|
| <ul style="list-style-type: none"> <li>• Non-contributory pension, means-tested</li> <li>• NDC, PAYG and buffer funds</li> <li>• DC, funded, personal accounts</li> <li>• Total contributions: 18.5% (16% NDC; 2.5% personal accounts)</li> <li>• Statutory Retirement Age: Men and Women: 65 but highly flexible</li> <li>• Gross replacement rate 55.6%</li> </ul> | <ul style="list-style-type: none"> <li>• Quasi-mandatory</li> <li>• Historically DB, shift to DC</li> <li>• Insurance contracts dominating</li> <li>• Contribution rate 4.5%-30%</li> <li>• Tax: ETT</li> <li>• EE free choice options</li> <li>• Pension Assets (2012) – 68.9% of GDP</li> </ul> | <ul style="list-style-type: none"> <li>• Investment saving accounts</li> <li>• Private pension plans</li> </ul> |

## REFORMS ON AGENDA:

- Reviewing the automatic balancing mechanism to prevent future swings and potential cuts in pensions

## KEY FIGURES:

|  | 2000                  | 2015                  | 2050                  |
|--|-----------------------|-----------------------|-----------------------|
| Population (thousands)                       | 8,900                 | 9,700                 | 11,900                |
| Old Age Dependency Ratio                     | 26.8                  | 31.8                  | 38.5                  |
| Life expectancy at age 65 (W/M)              | 20.2/17.0 (2000-2005) | 21.9/18.7 (2015-2020) | 24.8/21.3 (2045-2050) |
| Strongest Birth Cohorts                      | 1990-1995             |                       |                       |
| Fertility Rate                               | 1.67 (2000-2005)      | 1.94 (2015-2020)      | 1.98 (2045-2050)      |
| Public pension expenditures (as %age of GDP) | 7.2%                  | 9.6% (2010)           | 9.0%                  |
| GDP per capita (Current Int \$)              | 27,800                | 58,500                | NA                    |
| Financial Assets per capita (\$)             | 49,900                | 149,500 (2013)        | NA                    |

See references in the back



# The Swiss Pension System

## POSITION IN INDICES:

Pension Sustainability Index 2014: Green

## THE PENSION SYSTEM IN A NUTSHELL:

| Public Pillar   | Occupational Pillar   | Personal Pillar  |
|---|---|--|
| <ul style="list-style-type: none"> <li>• PAYG, basic pension</li> <li>• Minimum pension</li> <li>• Statutory Retirement Age: 65(Men) /64(Women)</li> <li>• Contribution Rate: EE: 4.9%: ER: 4.9%</li> <li>• Replacement rate (gross) 32.0%</li> </ul> | <ul style="list-style-type: none"> <li>• Mandatory for EE above a certain earnings level, voluntary for others</li> <li>• Capital funded</li> <li>• Nowadays, most are DC with minimum return</li> <li>• Employee contributes 7-18% depending on age; employer <math>\geq</math> employee contribution</li> <li>• Replacement rate – 23.1%</li> <li>• Financial incentives, tax: EET</li> <li>• Pension Assets (2013) – 119% of GDP</li> <li>• Coverage: Mandatory – 70.5%</li> </ul> | <ul style="list-style-type: none"> <li>• Two sub-pillars: 3a and 3b</li> <li>• 3a: Income tax deductions</li> <li>• 3b: No tax advantages</li> </ul> |

## REFORMS ON AGENDA:

- Discussion around conversion rate

## KEY FIGURES:

|  | 2000                  | 2015                  | 2050                  |
|--|-----------------------|-----------------------|-----------------------|
| Population (thousands)                       | 7,200                 | 8,200                 | 11,000                |
| Old Age Dependency Ratio                     | 22.7                  | 27.1                  | 40.6                  |
| Life expectancy at age 65 (W/M)              | 21.1/17.5 (2000-2005) | 22.9/19.4 (2015-2020) | 26.1/22.1 (2045-2050) |
| Strongest Birth Cohorts                      | 1965-1970             |                       |                       |
| Fertility Rate                               | 1.41 (2000-2005)      | 1.58 (2015-2020)      | 1.76 (2045-2050)      |
| Public pension expenditures (as %age of GDP) | 6.6%                  | 6.3% (2010)           | 8.6%                  |
| GDP per capita (Current Int \$)              | 35,700                | 84,000                | NA                    |
| Financial Assets per capita (\$)             | 205,700               | 305,100 (2013)        | NA                    |

See references in the back





## The Pension System in the UK

### POSITION IN INDICES:

Pension Sustainability Index 2014: Light Green

### THE PENSION SYSTEM IN A NUTSHELL:

| Public Pillar  | Occupational Pillar  | Personal Pillar  |
|--|--|--|
| <ul style="list-style-type: none"> <li>• Basic pension, PAYG</li> <li>• Earnings-related, PAYG</li> <li>• Targeted pension, tax-financed</li> <li>• Statutory Retirement Age:<br/>Men: 65, Women: 62 (equalized by 2018), to be increased to 68 until 2046; Revised every five years</li> <li>• Contribution rate: EE: 12.0%; ER: 13.8%</li> <li>• Replacement rate 32.6%</li> </ul> | <ul style="list-style-type: none"> <li>• Auto-enrolment (DC)</li> <li>• Typically funded</li> <li>• Many DB plans closed to new members; shift to DC</li> <li>• Financial incentives, tax: EET</li> <li>• Contribution rate NEST (employee 4%, employer 3%, state 1%)</li> <li>• Pension Assets (2013) – 100.7% of GDP</li> <li>• Coverage: 46%</li> </ul> | <ul style="list-style-type: none"> <li>• Financial incentives, tax: EET</li> </ul> |

### REFORMS ON AGENDA:

- Increase of retirement age to 67 and even 68 by 2046
- A single –tier pension will replace the State 2nd pension, not possible to contract out anymore

### KEY FIGURES:

|  | 2000                  | 2015                  | 2050                  |
|--|-----------------------|-----------------------|-----------------------|
| Population (thousands)                       | 59,800                | 63,800                | 73,100                |
| Old Age Dependency Ratio                     | 24.2                  | 28.1                  | 42.1                  |
| Life expectancy at age 65 (W/M)              | 19.2/16.2 (2000-2005) | 21.1/18.7 (2015-2020) | 23.8/21.4 (2045-2050) |
| Strongest Birth Cohorts                      | 1960-1965             |                       |                       |
| Fertility Rate                               | 1.66 (2000-2005)      | 1.89 (2015-2020)      | 1.90 (2045-2050)      |
| Public pension expenditures (as %age of GDP) | 5.3%                  | 6.7% (2010)           | 8.1%                  |
| GDP per capita (Current Int \$)              | 25,400                | 46,200                | NA                    |
| Financial Assets per capita (\$)             | 70,400                | 127,900 (2013)        | NA                    |

See references in the back

# Eastern Europe with the Russian Federation





# The Bulgarian Pension System

## POSITION IN INDICES:

Pension Sustainability Index 2014: Yellow

## THE PENSION SYSTEM IN A NUTSHELL:

| Public Pillar  | Occupational Pillar   | Personal Pillar   |
|--|---|---|
| <ul style="list-style-type: none"> <li>Earning related pension</li> <li>Non-contributory social pension</li> <li>Statutory Retirement Age: 63y8m (M), 60y8m (W)</li> <li>Contribution Rate:               <ul style="list-style-type: none"> <li>– Birth cohorts before 1960: EE: 7.9%; ER: 9.9%</li> <li>– Birth cohorts after 1960: EE: 5.7%; ER: 7.1%</li> </ul> </li> <li>Replacement rate: 84.3% (gross)</li> </ul> | <ul style="list-style-type: none"> <li>Mandatory for individuals born since Jan 1960</li> <li>Contributions diverted from social security: EE; 2.2%; ER: 2.8%</li> <li>Voluntary funds with occupational schemes also available</li> <li>DC</li> <li>Pension Assets (2013): 7.6% of GDP</li> <li>Coverage (2013): 98% of labor force</li> </ul> | <ul style="list-style-type: none"> <li>Voluntary</li> <li>Tax deductions</li> <li>Employer's contributions possible.</li> <li>Pension Assets (2013): 0.84% of GDP</li> <li>Coverage (2013): 17.5% of the labor force</li> </ul> |

## REFORMS ON AGENDA:

- Increase of effective retirement age; discussion about voluntary participation in the second pillar

## KEY FIGURES:

|  | 2000                  | 2015                  | 2050                  |
|--|-----------------------|-----------------------|-----------------------|
| Population (thousands)                       | 8,200                 | 7,100                 | 5,100                 |
| Old Age Dependency Ratio                     | 24.5                  | 30.1                  | 50.5                  |
| Life expectancy at age 65 (W/M)              | 15.8/12.9 (2000-2005) | 17.1/13.7 (2015-2020) | 19.1/15.7 (2045-2050) |
| Strongest Birth Cohorts                      | 1950-1955             |                       |                       |
| Fertility Rate                               | 1.24 (2000-2005)      | 1.61 (2015-2020)      | 1.84 (2045-2050)      |
| Public pension expenditures (as %age of GDP) | NA                    | 9.1% (2010)           | 10.8%                 |
| GDP per capita (Current Int \$)              | 1,600                 | 8,000                 | NA                    |
| Financial Assets per capita (\$)             | 950                   | 9,100 (2013)          | NA                    |

See references in the back



# The Croatian Pension System

## POSITION IN INDICES:

Pension Sustainability Index 2014: Yellow

## THE PENSION SYSTEM IN A NUTSHELL:

| Public Pillar  | Occupational Pillar  | Personal Pillar   |
|--|--|---|
| <ul style="list-style-type: none"> <li>• PAYG</li> <li>• Point System</li> <li>• Minimum pension</li> <li>• Statutory Retirement Age: 65 (Men) / 61 (Women); both to reach 67 by 2038</li> <li>• Contribution Rate (EE: 20%; ER: 0%)</li> <li>• Replacement rate (2013) – 37.0%</li> </ul> | <ul style="list-style-type: none"> <li>• Mandatory for majority of private sector workers and new entrants</li> <li>• 5% of contributions from first pillar</li> <li>• DC system, limited investment choice</li> <li>• Tax EET</li> <li>• Mandatory annuitization</li> <li>• Pension Assets (2013) – 17.8% of GDP</li> </ul> | <ul style="list-style-type: none"> <li>• Tax deductions</li> <li>• Open / closed voluntary pension funds</li> <li>• State co-contribution</li> <li>• DC basis</li> <li>• Mandatory annuitization</li> </ul> |

## REFORMS ON AGENDA:

- As part of the EU convergence programme (2014-2017), the government plans to remove the subsidies provided to participants of the third pillar. An increase of contributions directed towards the 2nd pillar is under discussion

## KEY FIGURES:

|  | 2000                  | 2015                  | 2050                  |
|--|-----------------------|-----------------------|-----------------------|
| Population (thousands)                       | 4,400                 | 4,300                 | 3,600                 |
| Old Age Dependency Ratio                     | 23.1                  | 28.6                  | 51.3                  |
| Life expectancy at age 65 (W/M)              | 17.1/13.6 (2000-2005) | 19.0/15.3 (2015-2020) | 22.0/18.4 (2045-2050) |
| Strongest Birth Cohorts                      | 1950-1955             |                       |                       |
| Fertility Rate                               | 1.36 (2000-2005)      | 1.55 (2015-2020)      | 1.74 (2045-2050)      |
| Public pension expenditures (as %age of GDP) | NA                    | 7.0% (2010)           | 9.0%                  |
| GDP per capita (Current Int \$)              | 4,900                 | 14,000                | NA                    |
| Financial Assets per capita (\$)             | 4,300                 | 15,500 (2013)         | NA                    |

See references in the back



# The Czech Pension System

## POSITION IN INDICES:

Pension Sustainability Index 2014: Light Yellow

## THE PENSION SYSTEM IN A NUTSHELL:

| Public Pillar   | Occupational Pillar   | Personal Pillar  |
|---|---|--|
| <ul style="list-style-type: none"> <li>• Basic flat rate component</li> <li>• Earning related pension</li> <li>• Statutory Retirement Age: 62y8m (M), 61y4m (W). Increasing with no upper limit</li> <li>• Contribution Rate: EE: 6.5%; ER: 21.5%</li> <li>• Replacement rate: 51.3% (gross)</li> </ul> | <ul style="list-style-type: none"> <li>• The voluntary system started in Jan. 2013 has been closed down in 2014</li> <li>• Pension Assets (2013): 0.01% of GDP</li> <li>• Assets accumulated in the occupational pillar will be transferred to the public or personal pillar</li> </ul> | <ul style="list-style-type: none"> <li>• Voluntary</li> <li>• Tax deductions and government matching contributions</li> <li>• Minimum contribution required</li> <li>• Employer's contributions possible</li> <li>• Pension Assets (2013): 7% of GDP</li> <li>• Coverage (2013): 93% of labor force</li> </ul> |

## REFORMS ON AGENDA:

- Statutory retirement age to increase for both men and women to 67 by year 2044 and then further increasing with no upper limit; transfer of assets accumulated in pillar 2 either to the public or the personal pillar by 2016

## KEY FIGURES:

|  | 2000                  | 2015                  | 2050                  |
|--|-----------------------|-----------------------|-----------------------|
| Population (thousands)                       | 10,300                | 10,800                | 11,200                |
| Old Age Dependency Ratio                     | 19.9                  | 26.3                  | 46.5                  |
| Life expectancy at age 65 (W/M)              | 17.3/13.9 (2000-2005) | 19.3/15.9 (2015-2020) | 22.1/18.8 (2045-2050) |
| Strongest Birth Cohorts                      | 1975-1980             |                       |                       |
| Fertility Rate                               | 1.19 (2000-2005)      | 1.64 (2015-2020)      | 1.87 (2045-2050)      |
| Public pension expenditures (as %age of GDP) | 7.5%                  | 7.1% (2010)           | 10.2%                 |
| GDP per capita (Current Int \$)              | 5,700                 | 19,800                | NA                    |
| Financial Assets per capita (\$)             | 8,100                 | 19,600 (2013)         | NA                    |

See references in the back



# The Estonian Pension System

## POSITION IN INDICES:

Pension Sustainability Index 2014: Light Green

## THE PENSION SYSTEM IN A NUTSHELL:

| Public Pillar   | Occupational Pillar   | Personal Pillar  |
|---|---|--|
| <ul style="list-style-type: none"> <li>• Non-contributory scheme</li> <li>• PAYG, earnings-related</li> <li>• Point System</li> <li>• Statutory Retirement Age: 63 (Men) / 62 (Women), to be equalized (2016)</li> <li>• Contribution Rate: EE: 0%-2%; ER: 16%-20% (depending on participation in the Occupational Pillar)</li> <li>• Replacement rate, gross: 27.4%</li> </ul> | <ul style="list-style-type: none"> <li>• Mandatory</li> <li>• Capital funded, DC</li> <li>• Contributions diverted from pillar one: EE 2%; ER 4%</li> <li>• Contributions: tax deferred</li> <li>• Replacement rate – 24.8%</li> <li>• Pension Assets (2013) – 9.6% of GDP</li> <li>• Coverage (2012): 75%</li> </ul> | <ul style="list-style-type: none"> <li>• Tax deductions</li> <li>• Benefits tax favored</li> <li>• Pension Assets – 104,8 m EUR (0.5% of GDP)</li> <li>• Coverage: 7%</li> </ul> |

## REFORMS ON AGENDA:

- Retirement age to increase from 63 to 65 for both genders (2016-2026)
- Adjust the adhoc measures taken during the financial crisis

## KEY FIGURES:

|  | 2000                  | 2015                  | 2050                  |
|--|-----------------------|-----------------------|-----------------------|
| Population (thousands)                       | 1,400                 | 1,300                 | 1,100                 |
| Old Age Dependency Ratio                     | 22.7                  | 28.2                  | 43.0                  |
| Life expectancy at age 65 (W/M)              | 17.4/12.7 (2000-2005) | 19.2/13.9 (2015-2020) | 21.4/16.6 (2045-2050) |
| Strongest Birth Cohorts                      | 1985-1990             |                       |                       |
| Fertility Rate                               | 1.39 (2000-2005)      | 1.66 (2015-2020)      | 1.85 (2045-2050)      |
| Public pension expenditures (as %age of GDP) | 6.0%                  | 6.4% (2010)           | 5.3%                  |
| GDP per capita (Current Int \$)              | 4,100                 | 20,600                | NA                    |
| Financial Assets per capita (\$)             | 3,000                 | 17,100 (2013)         | NA                    |

See references in the back





# The Hungarian Pension System

## POSITION IN INDICES:

Pension Sustainability Index 2014: Yellow

## THE PENSION SYSTEM IN A NUTSHELL:

| Public Pillar  | Occupational Pillar   | Personal Pillar  |
|--|---|--|
| <ul style="list-style-type: none"> <li>Earning related pension</li> <li>Minimum pension</li> <li>Statutory Retirement Age: 62.5 (M/W), increasing to 65 by 2022</li> <li>Contribution Rate: EE: 10%; ER: 27%</li> <li>Replacement rate: 73.6% (gross)</li> </ul> | <ul style="list-style-type: none"> <li>In 2011 government abolished the mandatory private pension pillar</li> <li>Voluntary since then</li> <li>Pension Assets (2013) – 4.1%</li> </ul> | <ul style="list-style-type: none"> <li>Tax deductions</li> <li>Coverage – 18.9%</li> </ul> |

## REFORMS ON AGENDA:

- After dismantling the mandatory second pillar, the increase in the retirement age and the reduction of early retirement paths in the past years, no further reforms are discussed at the moment

## KEY FIGURES:

|  | 2000                  | 2015                  | 2050                  |
|--|-----------------------|-----------------------|-----------------------|
| Population (thousands)                       | 10,000                | 9,900                 | 9,000                 |
| Old Age Dependency Ratio                     | 22.3                  | 26.1                  | 43.8                  |
| Life expectancy at age 65 (W/M)              | 17.0/13.2 (2000-2005) | 18.5/14.4 (2015-2020) | 20.8/16.8 (2045-2050) |
| Strongest Birth Cohorts                      | 1950-1955             |                       |                       |
| Fertility Rate                               | 1.30 (2000-2005)      | 1.47 (2015-2020)      | 1.71 (2045-2050)      |
| Public pension expenditures (as %age of GDP) | 7.4%                  | 11.3% (2010)          | 13.2%                 |
| GDP per capita (Current Int \$)              | 4,500                 | 13,400                | NA                    |
| Financial Assets per capita (\$)             | 3,600                 | 14,100 (2013)         | NA                    |

See references in the back



# The Latvian Pension System

## POSITION IN INDICES:

Pension Sustainability Index 2014: Green

## THE PENSION SYSTEM IN A NUTSHELL:

| Public Pillar   | Occupational Pillar   | Personal Pillar   |
|---|---|---|
| <ul style="list-style-type: none"> <li>• Non-contributory pension</li> <li>• PAYG, NDC system</li> <li>• Statutory retirement age: Men/women 62 and 3 months to reach 65 (2014-2025)</li> <li>• Contribution Rate: EE: 5%/ 5%; ER: 10%</li> <li>• Replacement rate (2013): 47%</li> </ul> | <ul style="list-style-type: none"> <li>• Mandatory</li> <li>• Funded, mostly DC</li> <li>• Contribution rate: 5% diverted from pillar one (reaching 6% by 2016)</li> <li>• Contributions tax deferred</li> <li>• Replacement rate – NA (contribution to total retirement income still low)</li> <li>• Pension Assets (2013): 7.3% of GDP</li> <li>• Coverage (2013): 89%</li> </ul> | <ul style="list-style-type: none"> <li>• Voluntary</li> <li>• Low participation rate</li> <li>• Tax deductions</li> <li>• Coverage (2013): 11.6%</li> <li>• Pension assets (2013): 1% of GDP</li> </ul> |

## REFORMS ON AGENDA:

- Review of the three pillars with respect to future sustainability and adequacy

## KEY FIGURES:

|  | 2000                  | 2015                  | 2050                  |
|--|-----------------------|-----------------------|-----------------------|
| Population (thousands)                       | 2,400                 | 2,000                 | 1,700                 |
| Old Age Dependency Ratio                     | 22.4                  | 28.2                  | 37.8                  |
| Life expectancy at age 65 (W/M)              | 17.0/12.4 (2000-2005) | 18.1/13.0 (2015-2020) | 19.7/14.6 (2045-2050) |
| Strongest Birth Cohorts                      | 1985-1990             |                       |                       |
| Fertility Rate                               | 1.29 (2000-2005)      | 1.67 (2015-2020)      | 1.87 (2045-2050)      |
| Public pension expenditures (as %age of GDP) | NA                    | 5.1% (2010)           | 5.8%                  |
| GDP per capita (Current Int \$)              | 3,300                 | 16,800                | NA                    |
| Financial Assets per capita (\$)             | 1,300                 | 9,800 (2013)          | NA                    |

See references in the back



# The Lithuanian Pension System

## POSITION IN INDICES:

Pension Sustainability Index 2014: Light Yellow

## THE PENSION SYSTEM IN A NUTSHELL:

| Public Pillar   | Occupational Pillar  | Personal Pillar   |
|---|--|---|
| <ul style="list-style-type: none"> <li>• PAYG</li> <li>• Basic scheme</li> <li>• Earnings-related</li> <li>• Statutory Retirement Age: 63 (Men)/ 61 (Women) to reach 65 (2026)</li> <li>• Contribution Rate (EE: 3%: ER: 23.3%)</li> <li>• Replacement rate (2013) – 48% (median gross pensions 65-74 years olds versus median earnings 50-59 year olds)</li> </ul> | <ul style="list-style-type: none"> <li>• Mandatory</li> <li>• Capital funded, DC</li> <li>• Contributions are tax deferred</li> <li>• Tax: EEE</li> <li>• Contribution rate 2% (reduced after the financial crisis)</li> <li>• Voluntary additional contributions possible which are topped up by state contributions</li> <li>• Pension Assets (2014) – 19% of GDP</li> <li>• Coverage: 78,1% (2014)</li> </ul> | <ul style="list-style-type: none"> <li>• Fairly underdeveloped</li> <li>• Tax deductions</li> </ul> |

## REFORMS ON AGENDA:

- Adjust adhoc measures taken during the financial crisis; reduction of early retirement

## KEY FIGURES:

|  | 2000                  | 2015                  | 2050                  |
|--|-----------------------|-----------------------|-----------------------|
| Population (thousands)                       | 3,500                 | 3,000                 | 2,600                 |
| Old Age Dependency Ratio                     | 20.9                  | 22.8                  | 43.2                  |
| Life expectancy at age 65 (W/M)              | 17.9/12.4 (2000-2005) | 18.5/12.4 (2015-2020) | 20.3/14.5 (2045-2050) |
| Strongest Birth Cohorts                      | 1955-1960             |                       |                       |
| Fertility Rate                               | 1.28 (2000-2005)      | 1.58 (2015-2020)      | 1.79 (2045-2050)      |
| Public pension expenditures (as %age of GDP) | NA                    | 6.5% (2010)           | 10.4%                 |
| GDP per capita (Current Int \$)              | 3,300                 | 17,300                | NA                    |
| Financial Assets per capita (\$)             | 1,700                 | 12,900 (2013)         | NA                    |

See references in the back



# The Polish Pension System

## POSITION IN INDICES:

Pension Sustainability Index 2014: Light Yellow

## THE PENSION SYSTEM IN A NUTSHELL:

| Public Pillar   | Occupational Pillar  | Personal Pillar   |
|---|--|---|
| <ul style="list-style-type: none"> <li>• PAYG earning-related public pension</li> <li>• Minimum pension</li> <li>• Contribution rate (old-age pension): EE: 9.76%; ER: 9.76%</li> <li>• Contribution rate (disability and survivor): EE: 1.5%; ER: 6.5%</li> <li>• Legal retirement age: 60y6m (W) 65y6m (M); Raising to 67</li> <li>• Replacement rate (gross): 48.8%</li> </ul> | <ul style="list-style-type: none"> <li>• DC plans, voluntary (since Feb. 2014)</li> <li>• Open Pension Fund (OFE): EE contribution – 2.92%</li> <li>• Employee Pension Programs (PPE): EE contribution max 7% of gross salary</li> <li>• Pension Assets (2013): PPE: 0.6% of GDP; OFE: 18.4% of GDP (9.3% in Q2 2014)</li> <li>• Coverage (2013): OFE: 94% of labor force; PPE: 2.1% of labor force</li> </ul> | <ul style="list-style-type: none"> <li>• Voluntary</li> <li>• Individual Retirement Accounts (IKE) and Individual Pension Security Account (IKZE)</li> <li>• Mostly life insurance products</li> <li>• Capital gains on IKE are tax exempt</li> <li>• Coverage (2013): IKE: 4.7% of labor force; IKZE: 2.8% of labor force</li> </ul> |

## REFORMS ON AGENDA:

- Radical change of mandatory second pillar: voluntary participation for new entrants
- Transfer of more than 50% of the assets into the first pillar

## KEY FIGURES:

|  | 2000                  | 2015                  | 2050                  |
|--|-----------------------|-----------------------|-----------------------|
| Population (thousands)                       | 38,600                | 38,200                | 34,100                |
| Old Age Dependency Ratio                     | 18.0                  | 22.0                  | 51.0                  |
| Life expectancy at age 65 (W/M)              | 18.0/13.9 (2000-2005) | 19.5/15.7 (2015-2020) | 22.2/18.4 (2045-2050) |
| Strongest Birth Cohorts                      | 1950-1955             |                       |                       |
| Fertility Rate                               | 1.27 (2000-2005)      | 1.48 (2015-2020)      | 1.72 (2045-2050)      |
| Public pension expenditures (as %age of GDP) | 10.5%                 | 10.8% (2010)          | 9.1%                  |
| GDP per capita (Current Int \$)              | 4,500                 | 15,400                | NA                    |
| Financial Assets per capita (\$)             | 2,600                 | 13,300 (2013)         | NA                    |

See references in the back



# The Romanian Pension System

## POSITION IN INDICES:

Pension Sustainability Index 2014: Yellow

## THE PENSION SYSTEM IN A NUTSHELL:

| Public Pillar   | Occupational Pillar  | Personal Pillar   |
|---|--|---|
| <ul style="list-style-type: none"> <li>Earning related point system</li> <li>Minimum pension</li> <li>Statutory Retirement Age: 65 (M), 60 (W) increasing to 63 by 2030</li> <li>Contribution Rate: EE 10.5%, ER 20.8% – 25.8% – 30.8% depending on occupational classification</li> <li>Replacement rate: 40.8% (gross)</li> </ul> | <ul style="list-style-type: none"> <li>Mandatory for individuals younger than 36 years on Jan, 2008</li> <li>Contributions 4.5% of gross wages, from EE social security contributions. Increasing by 0.5 p.p./year up to 6%</li> <li>Tax regime not yet defined</li> <li>Pension Assets (2013): 2.2% of GDP</li> </ul> | <ul style="list-style-type: none"> <li>Voluntary</li> <li>Employers can contribute to individual plans</li> <li>Tax EET. Deductions also for ER contributions</li> <li>Max deduction: 400€/year for each contributor (ER and EE)</li> <li>Max contribution: 15% of gross income</li> <li>Pension Assets (2013): 0.12% of GDP</li> <li>Coverage (2013): 3.5% of labor force</li> </ul> |

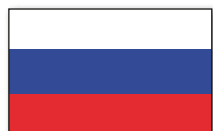
## REFORMS ON AGENDA:

- Partial reversal of previous reforms: reintroduction of special regimes; lowering the EE contribution rate to the first pillar; promise to increase pensions made during the presidential electoral campaign

## KEY FIGURES:

|  | 2000                  | 2015                  | 2050                  |
|--|-----------------------|-----------------------|-----------------------|
| Population (thousands)                       | 22,400                | 21,600                | 17,800                |
| Old Age Dependency Ratio                     | 19.6                  | 22.2                  | 48.8                  |
| Life expectancy at age 65 (W/M)              | 16.1/13.3 (2000-2005) | 17.5/14.4 (2015-2020) | 19.9/16.8 (2045-2050) |
| Strongest Birth Cohorts                      | 1965-1970             |                       |                       |
| Fertility Rate                               | 1.28 (2000-2005)      | 1.48 (2015-2020)      | 1.72 (2045-2050)      |
| Public pension expenditures (as %age of GDP) | 6.1%                  | 8.4% (2010)           | 14.8%                 |
| GDP per capita (Current Int \$)              | 1,700                 | 10,900                | NA                    |
| Financial Assets per capita (\$)             | 360                   | 7,000 (2013)          | NA                    |

See references in the back



# The Russian Pension System

## POSITION IN INDICES:

Pension Sustainability Index 2014: Light Yellow

## THE PENSION SYSTEM IN A NUTSHELL:

| Public Pillar  | Occupational Pillar  | Personal Pillar  |
|--|--|--|
| <ul style="list-style-type: none"> <li>• PAYG earning-related public pension</li> <li>• Non-contributory social assistance</li> <li>• Contribution rate (old-age pension): EE: 0%, ER: 22%</li> <li>• Legal retirement age: 55y (W) 60y (M). Social assistance claimed at age 60 (W) or 65 (M)</li> <li>• Replacement rate: 60.2% (gross)</li> </ul> | <ul style="list-style-type: none"> <li>• Mandatory DC plans for birth cohorts 1967 or later (contributions frozen until 2015)</li> <li>• Contribution: ER: 6%</li> <li>• Pension Assets (2013): 3.9% of GDP (2013);</li> <li>• Coverage (2013): 58% of labor force</li> <li>• Voluntary group pension arrangement not very common</li> </ul> | <ul style="list-style-type: none"> <li>• Voluntary</li> <li>• Mainly life-endowment products</li> <li>• Tax favoured</li> <li>• Pension Assets: 1.2% of GDP (2013)</li> <li>• Coverage: 8.9% of labor force</li> </ul> |

## REFORMS ON AGENDA:

- Discussion about making participation into the second pillar voluntary
- Second pillar assets frozen until 2015. Nationalization of the assets under discussion

## KEY FIGURES:

|  | 2000                  | 2015                  | 2050                  |
|--|-----------------------|-----------------------|-----------------------|
| Population (thousands)                       | 145,600               | 142,100               | 120,900               |
| Old Age Dependency Ratio                     | 19.6                  | 18.8                  | 32.8                  |
| Life expectancy at age 65 (W/M)              | 15.1/10.8 (2000-2005) | 16.4/11.6 (2015-2020) | 18.1/12.3 (2045-2050) |
| Strongest Birth Cohorts                      | 1955-1960             |                       |                       |
| Fertility Rate                               | 1.30 (2000-2005)      | 1.60 (2015-2020)      | 1.81 (2045-2050)      |
| Public pension expenditures (as %age of GDP) | NA                    | 8.1% (2010)           | 6.9%                  |
| GDP per capita (Current Int \$)              | 1,800                 | 14,600                | NA                    |
| Financial Assets per capita (\$)             | 110                   | 4,800 (2013)          | NA                    |

See references in the back



# The Slovak Pension System

## POSITION IN INDICES:

Pension Sustainability Index 2014: Light Orange

## THE PENSION SYSTEM IN A NUTSHELL:

| Public Pillar  | Occupational Pillar   | Personal Pillar  |
|--|---|--|
| <ul style="list-style-type: none"> <li>• PAYG earning-related public pension</li> <li>• Point system</li> <li>• Contribution rate (old-age pension): EE: 4%; ER: 14%</li> <li>• Contribution rate (disability pension): EE: 3%; ER: 3%</li> <li>• Legal retirement age: 62 years (M). Women have a lower age, depending on the number of children</li> </ul> | <ul style="list-style-type: none"> <li>• Voluntary participation for new employees (since Jan. 2013)</li> <li>• DC plans</li> <li>• EE contribution: 4%<br/>Increasing to 6% by 2024</li> <li>• Voluntary employee-contributions into the pension funds receive a tax relief</li> <li>• Pension Assets (2013): 8% of GDP</li> </ul> | <ul style="list-style-type: none"> <li>• Voluntary individual schemes</li> <li>• Employer may contribute on a voluntary basis</li> <li>• Tax deductions</li> <li>• Supplementary pension shall be paid-out for a period of at least 5 years</li> <li>• Lump-sum payments up to 75% of the capital allowed</li> <li>• Pension assets (2013): 2% of GDP</li> </ul> |

## REFORMS ON AGENDA:

- Link of retirement age to life expectancy starting from 2017. Increase in the retirement age for women
- Gradual increase of the contribution diverted into the second pillar from 2017

## KEY FIGURES:

|  | 2000                  | 2015                  | 2050                  |
|--|-----------------------|-----------------------|-----------------------|
| Population (thousands)                       | 5,400                 | 5,500                 | 5,000                 |
| Old Age Dependency Ratio                     | 16.5                  | 19.1                  | 47.5                  |
| Life expectancy at age 65 (W/M)              | 17.0/13.2 (2000-2005) | 18.2/14.4 (2015-2020) | 20.7/17.0 (2045-2050) |
| Strongest Birth Cohorts                      | 1950-1955             |                       |                       |
| Fertility Rate                               | 1.22 (2000-2005)      | 1.46 (2015-2020)      | 1.71 (2045-2050)      |
| Public pension expenditures (as %age of GDP) | 6.3%                  | 6.6% (2010)           | 9.4%                  |
| GDP per capita (Current Int \$)              | 3,800                 | 19,000                | NA                    |
| Financial Assets per capita (\$)             | 4,000                 | 13,000 (2013)         | NA                    |

See references in the back



# The Slovenian Pension System

## POSITION IN INDICES:

Pension Sustainability Index 2014: Dark Orange

## THE PENSION SYSTEM IN A NUTSHELL:

| Public Pillar  | Occupational Pillar   | Personal Pillar  |
|--|---|--|
| <ul style="list-style-type: none"> <li>• PAYG</li> <li>• Earnings-related</li> <li>• Minimum pension</li> <li>• Statutory Retirement Age: 64.5 (Men) / 62 (Women) increasing to 65 by 2016 / 2020, respectively</li> <li>• Contribution Rate: EE: 15.50%; ER: 8.85%</li> <li>• Replacement rate – 39.2% (gross)</li> </ul> | <p>Mandatory</p> <ul style="list-style-type: none"> <li>• Capital funded</li> <li>• Contributions are paid into one Capital Fund</li> </ul> <p>Voluntary</p> <ul style="list-style-type: none"> <li>• Tax EET</li> <li>• DC</li> <li>• Pension Assets (2013) – 4% of GDP</li> <li>• Coverage: Mandatory – 47% Voluntary (incl. Personal) – 38.2%</li> </ul> | <ul style="list-style-type: none"> <li>• Tax deductions</li> </ul> |

## REFORMS ON AGENDA:

- Equalization and increase of retirement ages for men and women. In addition, the government plans a comprehensive pension reform by 2020

## KEY FIGURES:

|  | 2000                  | 2015                  | 2050                  |
|--|-----------------------|-----------------------|-----------------------|
| Population (thousands)                       | 1,990                 | 2,100                 | 2,000                 |
| Old Age Dependency Ratio                     | 20.1                  | 26.4                  | 55.2                  |
| Life expectancy at age 65 (W/M)              | 19.0/14.6 (2000-2005) | 21.1/17.3 (2015-2020) | 24.0/19.7 (2045-2050) |
| Strongest Birth Cohorts                      | 1950-1955             |                       |                       |
| Fertility Rate                               | 1.23 (2000-2005)      | 1.55 (2015-2020)      | 1.75 (2045-2050)      |
| Public pension expenditures (as %age of GDP) | 10.7%                 | 10.1% (2010)          | 18.2%                 |
| GDP per capita (Current Int \$)              | 10,300                | 24,600                | NA                    |
| Financial Assets per capita (\$)             | 7,200                 | 25,900 (2013)         | NA                    |

See references in the back





# The Turkish Pension System

## POSITION IN INDICES:

Pension Sustainability Index 2014: Light Orange

## THE PENSION SYSTEM IN A NUTSHELL:

| Public Pillar   | Occupational Pillar   | Personal Pillar  |
|---|---|--|
| <ul style="list-style-type: none"> <li>Earnings-related</li> <li>Minimum pensions</li> <li>Statutory Retirement Age: 60 (Men) / 58 (Women) to be raised to 65 by 2046/48</li> <li>Contribution Rate: EE: 9%; ER: 11% (reduction of ER contribution possible)</li> <li>Replacement rate (gross) – 64.5%</li> </ul> | <ul style="list-style-type: none"> <li>First pillar substitute funds for special professions, DB funded</li> <li>Book reserves or provident funds</li> <li>Pension Assets (2013) – 4.9% of GDP</li> <li>Coverage: Mandatory – 0.9%, Voluntary – 0.2%</li> </ul> | <ul style="list-style-type: none"> <li>Voluntary</li> <li>DC schemes</li> <li>Matching contributions by the state</li> <li>Tax deductions</li> <li>ER may contribute voluntarily</li> <li>Coverage – 4.7%</li> </ul> |

## REFORMS ON AGENDA:

- Improvement of administration, reduction of bureaucracy, tackling large informal workforce

## KEY FIGURES:

|  | 2000                  | 2015                  | 2050                  |
|--|-----------------------|-----------------------|-----------------------|
| Population (thousands)                       | 67,400                | 76,700                | 94,600                |
| Old Age Dependency Ratio                     | 9.5                   | 11.4                  | 34.0                  |
| Life expectancy at age 65 (W/M)              | 17.2/13.6 (2000-2005) | 19.3/15.5 (2015-2020) | 22.9/19.1 (2045-2050) |
| Strongest Birth Cohorts                      | 1980-1985             |                       |                       |
| Fertility Rate                               | 2.33 (2000-2005)      | 1.96 (2015-2020)      | 1.75 (2045-2050)      |
| Public pension expenditures (as %age of GDP) | 4.9%                  | 7.3% (2010)           | 11.4%                 |
| GDP per capita (Current Int \$)              | 4,100                 | 11,000                | NA                    |
| Financial Assets per capita (\$)             | 640                   | 4,300 (2013)          | NA                    |

See references in the back

# Middle East





# The Jordanian Pension System

## POSITION IN INDICES:

Pension Sustainability Index 2014: NA

## THE PENSION SYSTEM IN A NUTSHELL:

| Public Pillar   | Occupational Pillar  | Personal Pillar   |
|---|--|---|
| <ul style="list-style-type: none"> <li>• PAYG System, Partially funded</li> <li>• Earnings-related</li> <li>• Statutory Retirement Age: 60 (Men) / 55 (Women)</li> <li>• Contribution Rate: EE: 6%, ER: 10%, to increase to 6.5% (EE) and 11% (ER) by 2017</li> <li>• Coverage (2013): approx. 60%</li> </ul> | <ul style="list-style-type: none"> <li>• Voluntary</li> <li>• DB dominating</li> <li>• Tax incentives</li> </ul> | <ul style="list-style-type: none"> <li>• Voluntary participation</li> <li>• No tax advantages for retirement savings</li> </ul> |

## REFORMS ON AGENDA:

- An increase in contribution rates by a total of 3% throughout the time period 2014-2017

## KEY FIGURES:

|  | 2000                  | 2015                  | 2050                  |
|--|-----------------------|-----------------------|-----------------------|
| Population (thousands)                       | 4,770                 | 7,690                 | 11,510                |
| Old Age Dependency Ratio                     | 5.4                   | 5.8                   | 19.5                  |
| Life expectancy at age 65 (W/M)              | 15.4/13.7 (2000-2005) | 16.6/14.5 (2015-2020) | 19.1/16.9 (2045-2050) |
| Strongest Birth Cohorts                      | 2010-2015             |                       |                       |
| Fertility Rate                               | 3.85 (2000-2005)      | 2.98 (2015-2020)      | 2.05 (2045-2050)      |
| Public pension expenditures (as %age of GDP) | 4.1%                  | 7.5% (2010)           | 13.1%                 |
| GDP per capita (Current Int \$)              | 1,700                 | 5,700                 | NA                    |
| Financial Assets per capita (\$)             | 1,400                 | 2,500 (2013)          | NA                    |

See references in the back



# The Lebanese Pension System

## POSITION IN INDICES:

Pension Sustainability Index 2014: NA

## THE PENSION SYSTEM IN A NUTSHELL:

| Public Pillar   | Occupational Pillar  | Personal Pillar  |
|---|--|--|
| <ul style="list-style-type: none"> <li>• PAYG-financed</li> <li>• Lump-sum payment only</li> <li>• Statutory Retirement Age: 64 (Men) / (Women) or 20 years of contribution</li> <li>• Contribution Rate: EE: 0%; ER: 8.5%</li> <li>• Coverage (private sector): approx. 28%</li> </ul> | <ul style="list-style-type: none"> <li>• Voluntary participation</li> <li>• Fairly underdeveloped</li> <li>• DC-schemes in collective agreements</li> <li>• Lump-sum benefits dominate</li> <li>• No formal second pillar legislation</li> </ul> | <ul style="list-style-type: none"> <li>• Voluntary participation</li> <li>• Underdeveloped</li> <li>• No tax incentives</li> </ul> |

## REFORMS ON AGENDA:

- Plans to introduce the option of transforming the End-of-service indemnity to a pension plan

## KEY FIGURES:

|  | 2000                  | 2015                  | 2050                  |
|--|-----------------------|-----------------------|-----------------------|
| Population (thousands)                       | 3,240                 | 5,050                 | 5,320                 |
| Old Age Dependency Ratio                     | 11.1                  | 12.3                  | 42.1                  |
| Life expectancy at age 65 (W/M)              | 17.2/14.8 (2000-2005) | 21.2/18.0 (2015-2020) | 24.8/21.7 (2045-2050) |
| Strongest Birth Cohorts                      | 1975-1980             |                       |                       |
| Fertility Rate                               | 2.01 (2000-2005)      | 1.48 (2015-2020)      | 1.63 (2045-2050)      |
| Public pension expenditures (as %age of GDP) | 3.4%                  |                       |                       |
| GDP per capita (Current Int \$)              | 5,300                 | 11,200                | NA                    |
| Financial Assets per capita (\$)             | 7,700                 | 14,800 (2013)         | NA                    |

See references in the back



# The Omani Pension System

## POSITION IN INDICES:

Pension Sustainability Index 2014: NA

## THE PENSION SYSTEM IN A NUTSHELL:

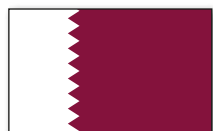
| Public Pillar   | Occupational Pillar  | Personal Pillar   |
|---|--|---|
| <ul style="list-style-type: none"> <li>• PAYG System, Partially funded</li> <li>• Earnings-related</li> <li>• Statutory Retirement Age: 60 (Men) / 55 (Women)</li> <li>• Contribution Rate: EE: 7%; ER: 11.5%; State: 5.5%</li> <li>• Coverage: Limited to Omani nationals</li> </ul> | <ul style="list-style-type: none"> <li>• Voluntary participation</li> <li>• Underdeveloped</li> <li>• End-of-service benefits (Lump sum payment for expatriates)</li> <li>• Coverage: N/A</li> </ul> | <ul style="list-style-type: none"> <li>• Voluntary participation</li> <li>• Unit-linked, Sharia-compliant private savings vehicles</li> <li>• Underdeveloped</li> </ul> |

## REFORMS ON AGENDA:

## KEY FIGURES:

|  | 2000                  | 2015                  | 2050                  |
|--|-----------------------|-----------------------|-----------------------|
| Population (thousands)                       | 2,200                 | 4,160                 | 5,070                 |
| Old Age Dependency Ratio                     | 3.9                   | 4.0                   | 32.4                  |
| Life expectancy at age 65 (W/M)              | 16.3/14.2 (2000-2005) | 19.0/16.3 (2015-2020) | 22.8/20.6 (2045-2050) |
| Strongest Birth Cohorts                      | 2010-2015             |                       |                       |
| Fertility Rate                               | 3.21 (2000-2005)      | 2.54 (2015-2020)      | 1.71 (2045-2050)      |
| Public pension expenditures (as %age of GDP) |                       |                       |                       |
| GDP per capita (Current Int \$)              | 7,900                 | 21,300                | NA                    |
| Financial Assets per capita (\$)             | 4,400                 | 13,500 (2013)         | NA                    |

See references in the back



# The Qatari Pension System

## POSITION IN INDICES:

Pension Sustainability Index 2014: NA

## THE PENSION SYSTEM IN A NUTSHELL:

| Public Pillar  | Occupational Pillar   | Personal Pillar   |
|--|---|---|
| <ul style="list-style-type: none"> <li>• PAYG System, Partially funded</li> <li>• Earnings-related</li> <li>• Statutory Retirement Age: 60 (Men) / 55 (Women)</li> <li>• Contribution Rate: EE: 5%; ER: 10%</li> <li>• Replacement rate: 55% (2012)</li> <li>• Coverage: NA (Limited to Qatari-nationals)</li> </ul> | <ul style="list-style-type: none"> <li>• Voluntary participation</li> <li>• Underdeveloped, few occupational pension plans exist</li> <li>• Replacement rate: NA</li> <li>• Coverage: NA</li> </ul> | <ul style="list-style-type: none"> <li>• Voluntary participation</li> <li>• Unit-linked, Sharia Compliant private savings vehicles</li> </ul> |

## REFORMS ON AGENDA:

- Plans for raising the statutory retirement age for Men / Women to 65/62, respectively. Plans for the introduction of a mandated private pensions law

## KEY FIGURES:

|  | 2000                  | 2015                  | 2050                  |
|--|-----------------------|-----------------------|-----------------------|
| Population (thousands)                       | 590                   | 2,350                 | 2,980                 |
| Old Age Dependency Ratio                     | 2.4                   | 1.1                   | 47.5                  |
| Life expectancy at age 65 (W/M)              | 17.3/16.0 (2000-2005) | 18.4/17.0 (2015-2020) | 21.4/20.1 (2045-2050) |
| Strongest Birth Cohorts                      | 2010-2015             |                       |                       |
| Fertility Rate                               | 2.95 (2000-2005)      | 1.92 (2015-2020)      | 1.67 (2045-2050)      |
| Public pension expenditures (as %age of GDP) |                       |                       |                       |
| GDP per capita (Current Int \$)              | 29,900                | 93,500                | NA                    |
| Financial Assets per capita (\$)             | 6,900                 | 78,700 (2013)         | NA                    |

See references in the back



# The Saudi Pension System

## POSITION IN INDICES:

Pension Sustainability Index 2014:

## THE PENSION SYSTEM IN A NUTSHELL:

| Public Pillar   | Occupational Pillar   | Personal Pillar   |
|---|---|---|
| <ul style="list-style-type: none"> <li>• PAYG System, partially pre-funded</li> <li>• Earnings-related</li> <li>• Statutory Retirement Age: 60 (Men) / 55 (Women)</li> <li>• Contribution Rate (EE: 9%; ER: 9%)</li> <li>• Replacement rate: 100% (Men) / 87.5% (Women)</li> <li>• Coverage (2010): Limited to Saudi Nationals – 50.1%</li> </ul> | <ul style="list-style-type: none"> <li>• Voluntary participation (if applicable)</li> <li>• Underdeveloped</li> <li>• Lump sum payment (End-of-service benefits)</li> </ul> | <ul style="list-style-type: none"> <li>• Voluntary participation</li> <li>• Underdeveloped</li> <li>• Life insurance (takaful)</li> </ul> |

## REFORMS ON AGENDA:

- Increase in Retirement age from 60 to 62 (for men)

## KEY FIGURES:

|  | 2000                  | 2015                  | 2050                  |
|--|-----------------------|-----------------------|-----------------------|
| Population (thousands)                       | 20,140                | 29,900                | 40,390                |
| Old Age Dependency Ratio                     | 6.0                   | 4.4                   | 28.0                  |
| Life expectancy at age 65 (W/M)              | 15.7/13.6 (2000-2005) | 17.5/14.9 (2015-2020) | 20.7/18.7 (2045-2050) |
| Strongest Birth Cohorts                      | 1990-1995             |                       |                       |
| Fertility Rate                               | 3.54 (2000-2005)      | 2.43 (2015-2020)      | 1.78 (2045-2050)      |
| Public pension expenditures (as %age of GDP) | 1.6%                  | 2.2% (2010)           | 7.1%                  |
| GDP per capita (Current Int \$)              | 9,500                 | 25,800                | NA                    |
| Financial Assets per capita (\$)             | 5,800                 | 11,800 (2013)         | NA                    |

See references in the back



# The UAE Pension System

## POSITION IN INDICES:

Pension Sustainability Index 2014: NA

## THE PENSION SYSTEM IN A NUTSHELL:

| Public Pillar  | Occupational Pillar  | Personal Pillar   |
|--|--|---|
| <ul style="list-style-type: none"> <li>• PAYG System, Partially funded</li> <li>• Earnings-related &amp; lump-sum</li> <li>• Statutory Retirement Age: 60 (Men) / (Women) – various early retirement possibility</li> <li>• Contribution Rate: EE: 5%; ER: 15%; State: 2.5% if ER is a private entity</li> <li>• Coverage: limited to UAE nationals</li> </ul> | <ul style="list-style-type: none"> <li>• Voluntary participation</li> <li>• Underdeveloped</li> <li>• DC dominating</li> <li>• Employer-sponsored plans exist for indemnity payment</li> <li>• Lump sum payment (End-of-service benefits)</li> </ul> | <ul style="list-style-type: none"> <li>• Voluntary participation</li> <li>• Underdeveloped</li> <li>• Unit-linked, Sharia Compliant private savings vehicles</li> </ul> |

## REFORMS ON AGENDA:

- Extending coverage of public pensions to UAE nationals employed in liberal professions

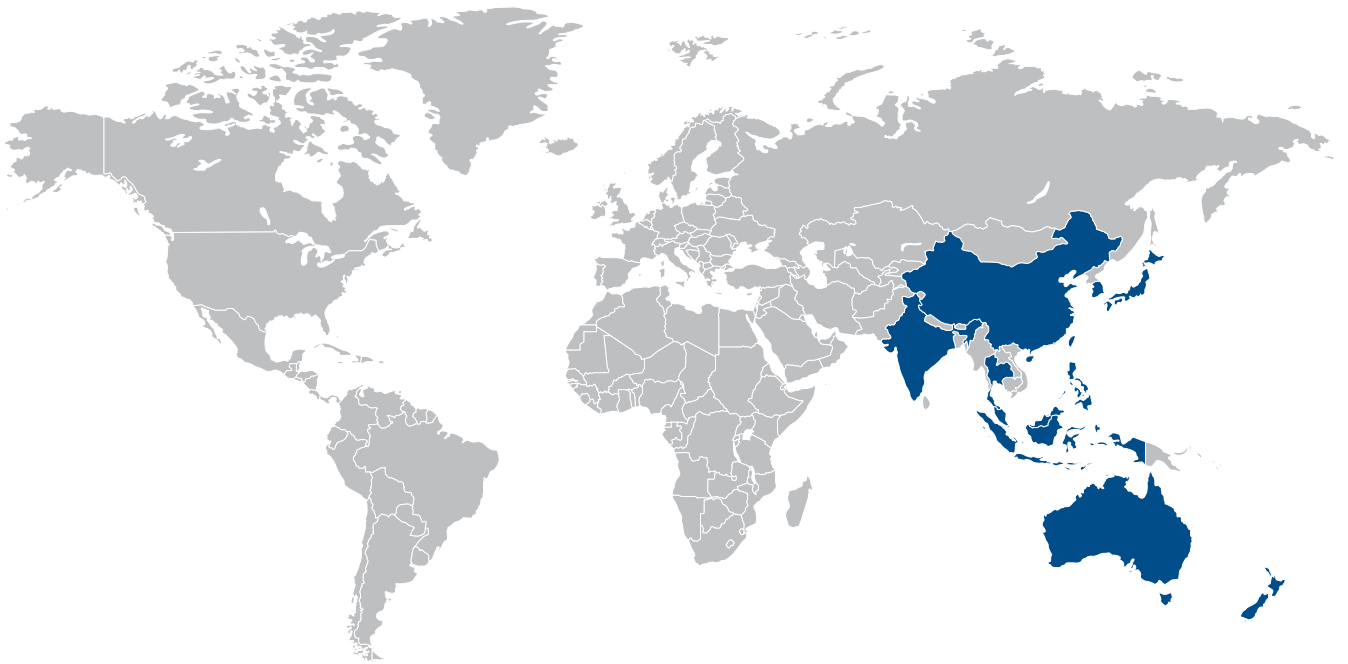
## KEY FIGURES:

|  | 2000                  | 2015                  | 2050                  |
|--|-----------------------|-----------------------|-----------------------|
| Population (thousands)                       | 3,030                 | 9,580                 | 15,480                |
| Old Age Dependency Ratio                     | 1.4                   | 0.6                   | 38.3                  |
| Life expectancy at age 65 (W/M)              | 15.8/14.9 (2000-2005) | 17.5/16.4 (2015-2020) | 20.7/20.0 (2045-2050) |
| Strongest Birth Cohorts                      | 2010-2015             |                       |                       |
| Fertility Rate                               | 2.40 (2000-2005)      | 1.73 (2015-2020)      | 1.64 (2045-2050)      |
| Public pension expenditures (as %age of GDP) |                       |                       |                       |
| GDP per capita (Current Int \$)              | 35,000                | 46,000                | NA                    |
| Financial Assets per capita (\$)             | 14,300                | 61,800 (2013)         | NA                    |

See references in the back



# Asia / Pacific





# The Australian Pension System

## POSITION IN INDICES:

Pension Sustainability Index 2014: Dark Green

## THE PENSION SYSTEM IN A NUTSHELL:

| Public Pillar   | Occupational Pillar  | Personal Pillar   |
|---|--|---|
| <ul style="list-style-type: none"> <li>• Non-contributory pension, means tested</li> <li>• Statutory Retirement Age: 65 Men / Women, increasing to 67 by 2023</li> <li>• Replacement rate (gross): 13.6%</li> </ul> | <ul style="list-style-type: none"> <li>• Mandatory Superannuation schemes</li> <li>• Funded, DC dominating</li> <li>• Financial incentives</li> <li>• Minimum retirement age 55, increasing to 60 (2024)</li> <li>• Contribution rate: EE 9.5%</li> <li>• Replacement rate: 38.7%</li> <li>• Pension Assets (2013): 105% of GDP</li> <li>• Coverage Mandatory (2011): 68.5%</li> </ul> | <ul style="list-style-type: none"> <li>• Voluntary contributions to superannuation funds</li> <li>• Tax incentives</li> <li>• Coverage (2011): 19.9%</li> </ul> |

## REFORMS ON AGENDA:

- Change of indexation, increase of statutory retirement age to 70 (2025-2035), timeframe for the increase of mandatory contributions to 12%
- Australian mySuper and Future of Financial Advice legislation will change the current Superannuation system by e.g. introducing low cost default options and a ban on up-front commissions

## KEY FIGURES:

|  | 2000                  | 2015                  | 2050                  |
|--|-----------------------|-----------------------|-----------------------|
| Population (thousands)                       | 19,150                | 23,900                | 33,700                |
| Old Age Dependency Ratio                     | 18.5                  | 22.7                  | 36.7                  |
| Life expectancy at age 65 (W/M)              | 21.0/17.6 (2000-2005) | 22.9/19.7 (2015-2020) | 26.0/22.3 (2045-2050) |
| Strongest Birth Cohorts                      | 2005-2010             |                       |                       |
| Fertility Rate                               | 1.75 (2000-2005)      | 1.87 (2015-2020)      | 1.86 (2045-2050)      |
| Public pension expenditures (as %age of GDP) | 3.8%                  | 3.6% (2010)           | 4.9%                  |
| GDP per capita (Current Int \$)              | 20,900                | 64,300                | NA                    |
| Financial Assets per capita (\$)             | 52,400                | 144,700 (2013)        | NA                    |

See references in the back



# The Chinese Pension System

## POSITION IN INDICES:

Pension Sustainability Index 2014: Dark Orange

## THE PENSION SYSTEM IN A NUTSHELL:

| Public Pillar   | Occupational Pillar   | Personal Pillar  |
|---|---|--|
| <ul style="list-style-type: none"> <li>• Fragmented system</li> <li>• Non-contributory pension, universal</li> <li>• Earnings-related, PAYG</li> <li>• DC, funded, personal accounts</li> <li>• Contributions: Approx. 20% ER (Earnings-related); 8% EE (DC)</li> <li>• Retirement Age: 60 (Men); 60/55 (Women)</li> <li>• Reserve fund assets: 6.8% of GDP (2012)</li> <li>• Net replacement rate – 89.7%</li> </ul> | <ul style="list-style-type: none"> <li>• Voluntary</li> <li>• DC with annuitization</li> <li>• Tax: New EET regime for enterprise annuities</li> <li>• Pension Assets as % of GDP: 1% (Enterprise annuities, 2013)</li> </ul> | <ul style="list-style-type: none"> <li>• Fairly underdeveloped</li> <li>• No financial incentives</li> </ul> |

## REFORMS ON AGENDA:

- China is currently in the process to establish a unified and comprehensive pension system

## KEY FIGURES:

|  | 2000                  | 2015                  | 2050                  |
|--|-----------------------|-----------------------|-----------------------|
| Population (thousands)                       | 1,262,600             | 1,401,600             | 1,385,000             |
| Old Age Dependency Ratio                     | 10.2                  | 13.1                  | 39.0                  |
| Life expectancy at age 65 (W/M)              | 16.5/14.4 (2000-2005) | 16.8/14.9 (2015-2020) | 18.7/16.8 (2045-2050) |
| Strongest Birth Cohorts                      | 1965-1970             |                       |                       |
| Fertility Rate                               | 1.55 (2000-2005)      | 1.69 (2015-2020)      | 1.81 (2045-2050)      |
| Public pension expenditures (as %age of GDP) | NA                    | 2.2% (2010)           | 2.6%                  |
| GDP per capita (Current Int \$)              | 940                   | 8,200                 | NA                    |
| Financial Assets per capita (\$)             | 780                   | 10,500 (2013)         | NA                    |

See references in the back



# The Hong-Kong Pension System

## POSITION IN INDICES:

Pension Sustainability Index 2014: Light Yellow

## THE PENSION SYSTEM IN A NUTSHELL:

| Public Pillar   | Occupational Pillar   | Personal Pillar   |
|---|---|---|
| <ul style="list-style-type: none"> <li>• Non-contributory pension, means tested (people aged 65-69)</li> <li>• Non-contributory flat pension, universal (people aged 70+)</li> <li>• Statutory Retirement Age: Men &amp; Women: 65</li> </ul> | <ul style="list-style-type: none"> <li>• Mandatory provident fund, MPF (mostly DC)</li> <li>• Withdrawals at age 65</li> <li>• Contributions: ER 5% / EE 5%</li> <li>• Tax relief on contributions</li> <li>• Free choice options offered</li> <li>• Gross Replacement rate: 34.8%</li> <li>• Pension Assets (2013) – 37.5% of GDP</li> </ul> | <ul style="list-style-type: none"> <li>• Fairly underdeveloped</li> <li>• No tax incentives</li> <li>• Generally low tax environment</li> </ul> |

## REFORMS ON AGENDA:

## KEY FIGURES:

|  | 2000                  | 2015                  | 2050                  |
|--|-----------------------|-----------------------|-----------------------|
| Population (thousands)                       | 6,700                 | 7,300                 | 8,000                 |
| Old Age Dependency Ratio                     | 15.3                  | 20.5                  | 66.9                  |
| Life expectancy at age 65 (W/M)              | 21.9/18.0 (2000-2005) | 24.1/19.5 (2015-2020) | 27.9/22.9 (2045-2050) |
| Strongest Birth Cohorts                      | 1960-1965             |                       |                       |
| Fertility Rate                               | 0.96 (2000-2005)      | 1.21 (2015-2020)      | 1.55 (2045-2050)      |
| Public pension expenditures (as %age of GDP) | NA                    | 4.5% (2010)           | 7.5%                  |
| GDP per capita (Current Int \$)              | 25,600                | 42,800                | NA                    |
| Financial Assets per capita (\$)             | 50,000                | 71,700 (2013)         | NA                    |

See references in the back



# The Indian Pension System

## POSITION IN INDICES:

Pension Sustainability Index 2014: Dark Orange

## THE PENSION SYSTEM IN A NUTSHELL:

| Public Pillar   | Occupational Pillar   | Personal Pillar   |
|---|---|---|
| <ul style="list-style-type: none"> <li>• Non-contributory, means-tested</li> <li>• Statutory Retirement Age: Men and women: 60 (since 06/2011)</li> </ul> | <p>Mandatory</p> <ul style="list-style-type: none"> <li>• Provident fund scheme, DC (opt-out possible), administered rate of return, Contribution: EE 12%/ER 3.7% each, retirement age men and women: 55; tax: EEE</li> <li>• Employee pension scheme, DB ER 8.3%; state 1.2%; retirement age men and women: 58; tax: EET</li> <li>• Gross replacement rate – 55.8%</li> <li>• National Pension System (civil servants), DC, retirement age 60</li> </ul> <p>Voluntary</p> <ul style="list-style-type: none"> <li>• Superannuation funds, DC</li> <li>• Pension assets (2013) as % of GDP 6.6%</li> </ul> | <ul style="list-style-type: none"> <li>• Voluntary NPS contributions, tax: EEE + means-tested co-contribution</li> <li>• Micro-insurance</li> <li>• Others with tax incentives</li> </ul> |

## REFORMS ON AGENDA:

- The NPS is constantly reformed to increase its coverage

## KEY FIGURES:

|  | 2000                  | 2015                  | 2050                  |
|--|-----------------------|-----------------------|-----------------------|
| Population (thousands)                       | 1,014,800             | 1,282,400             | 1,620,000             |
| Old Age Dependency Ratio                     | 7.1                   | 8.3                   | 19.9                  |
| Life expectancy at age 65 (W/M)              | 13.9/12.4 (2000-2005) | 14.7/13.0 (2015-2020) | 16.3/14.3 (2045-2050) |
| Strongest Birth Cohorts                      | 1990-1995             |                       |                       |
| Fertility Rate                               | 3.00 (2000-2005)      | 2.37 (2015-2020)      | 1.92 (2045-2050)      |
| Public pension expenditures (as %age of GDP) | NA                    | 1.7% (2010)           | 0.9%                  |
| GDP per capita (Current Int \$)              | 460                   | 1,800                 | NA                    |
| Financial Assets per capita (\$)             | 150                   | 1,200 (2013)          | NA                    |

See references in the back



# The Indonesian Pension System

## POSITION IN INDICES:

Pension Sustainability Index 2014: Light Orange

## THE PENSION SYSTEM IN A NUTSHELL:

| Public Pillar   | Occupational Pillar  | Personal Pillar  |
|---|--|--|
| <ul style="list-style-type: none"> <li>Fragmented system</li> <li>Contributory DC schemes in the formal sector; voluntary participation in the informal sector and for self-employed</li> <li>Lump-sum payments</li> <li>DB-PAYG pensions for civil servants and military</li> <li>Contribution rate: EE: 2%; ER: 3.7% (formal sector)</li> <li>Legal retirement age: 55 (M/W) in the formal sector</li> <li>Replacement rate: 14.1% (gross)</li> </ul> | <ul style="list-style-type: none"> <li>Voluntary complementary pension plans</li> <li>DB/DC, DB still dominating</li> <li>No compulsory annuitization</li> <li>Tax: EET</li> <li>Coverage: 4.6% of the labor force (2012)</li> <li>Pension assets as % of GDP: 2% (Employers Pension Fund + Financial Institution Pension Fund)</li> </ul> | <ul style="list-style-type: none"> <li>Voluntary participation in the Financial Institution Pension Fund (FIPF)</li> <li>Tax deductions</li> </ul> |

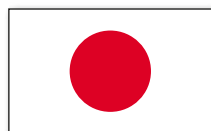
## REFORMS ON AGENDA:

- Inclusion of informal sector workers into the DC public pension scheme (June 2015)
- Creation of a complementary, mandatory DB public scheme for workers in the formal sector (June 2015)

## KEY FIGURES:

|  | 2000                  | 2015                  | 2050                  |
|--|-----------------------|-----------------------|-----------------------|
| Population (thousands)                       | 208,000               | 255,700               | 321,400               |
| Old Age Dependency Ratio                     | 7.2                   | 8.2                   | 24.2                  |
| Life expectancy at age 65 (W/M)              | 14.3/12.7 (2000-2005) | 15.4/13.5 (2015-2020) | 17.5/15.3 (2045-2050) |
| Strongest Birth Cohorts                      | 1980-1985             |                       |                       |
| Fertility Rate                               | 2.48 (2000-2005)      | 2.22 (2015-2020)      | 1.87 (2045-2050)      |
| Public pension expenditures (as %age of GDP) | NA                    | 0.9% (2010)           | 2.1%                  |
| GDP per capita (Current Int \$)              | 800                   | 3,600                 | NA                    |
| Financial Assets per capita (\$)             | 230                   | 1,300 (2013)          | NA                    |

See references in the back



# The Japanese Pension System

## POSITION IN INDICES:

Pension Sustainability Index 2014: Dark Orange

## THE PENSION SYSTEM IN A NUTSHELL:

| Public Pillar   | Occupational Pillar   | Personal Pillar  |
|---|---|--|
| <ul style="list-style-type: none"> <li>Working years related pension, flat-contributions &amp; government subsidies</li> <li>Earnings-related, PAYG, contributions to be increased from 16.8% to 18.3%, shared by EE/ER</li> <li>Reserve Fund (Assets as % of GDP (2012) – 37.2%)</li> <li>Statutory Retirement Age: Men and women: 65 (in transition)</li> <li>Net replacement rate – 35.6%</li> </ul> | <ul style="list-style-type: none"> <li>Voluntary</li> <li>DB and DC occupational pension plans</li> <li>Imostly DB</li> <li>Tax incentives</li> <li>Opt-out of earnings related pension possible by setting up an occupational vehicle</li> <li>Pension Assets (2013) – 29.3% of GDP</li> </ul> | <ul style="list-style-type: none"> <li>Tax incentives</li> </ul> |

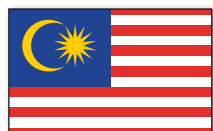
## REFORMS ON AGENDA:

- Retirement age of men and women will be aligned in both earning and working years related scheme at the latest until 2030

## KEY FIGURES:

|  | 2000                  | 2015                  | 2050                  |
|--|-----------------------|-----------------------|-----------------------|
| Population (thousands)                       | 126,800               | 126,800               | 108,300               |
| Old Age Dependency Ratio                     | 25.2                  | 43.6                  | 71.8                  |
| Life expectancy at age 65 (W/M)              | 23.0/18.0 (2000-2005) | 24.9/19.7 (2015-2020) | 28.2/22.7 (2045-2050) |
| Strongest Birth Cohorts                      | 1970-1975             |                       |                       |
| Fertility Rate                               | 1.30 (2000-2005)      | 1.48 (2015-2020)      | 1.72 (2045-2050)      |
| Public pension expenditures (as %age of GDP) | 7.4%                  | 9.9% (2010)           | 10.1%                 |
| GDP per capita (Current Int \$)              | 37,300                | 38,500                | NA                    |
| Financial Assets per capita (\$)             | 109,800               | 126,600 (2013)        | NA                    |

See references in the back



# The Malaysian Pension System

## POSITION IN INDICES:

Pension Sustainability Index 2014: Yellow

## THE PENSION SYSTEM IN A NUTSHELL:

| Public Pillar  | Occupational Pillar  | Personal Pillar  |
|--|--|--|
| <ul style="list-style-type: none"> <li>• Non-contributory pension, means tested</li> <li>• Statutory Retirement Age: 60 Men / Women</li> </ul> | <ul style="list-style-type: none"> <li>• Provident fund, DC</li> <li>• Contributions EE 11%, ER 12%</li> <li>• Various early withdrawal options</li> <li>• Self-employed can opt-in</li> <li>• Free investment choice options</li> <li>• Retirement age: 55 years</li> <li>• Tax: EEE</li> <li>• Net replacement rate: 35.1%</li> <li>• Pension Assets (2013) – 60.3% of GDP</li> <li>• Coverage: – 50%</li> </ul> | <ul style="list-style-type: none"> <li>• Tax deductions</li> <li>• Fund savings scheme</li> <li>• Deferred annuity scheme</li> </ul> |

## REFORMS ON AGENDA:

- Further tax incentives planned for Fund savings-/DA-scheme

## KEY FIGURES:

|  | 2000                  | 2015                  | 2050                  |
|--|-----------------------|-----------------------|-----------------------|
| Population (thousands)                       | 23,500                | 30,700                | 42,100                |
| Old Age Dependency Ratio                     | 6.1                   | 8.3                   | 25.0                  |
| Life expectancy at age 65 (W/M)              | 15.2/13.8 (2000-2005) | 16.6/14.7 (2015-2020) | 19.3/17.5 (2045-2050) |
| Strongest Birth Cohorts                      | 1980-1985             |                       |                       |
| Fertility Rate                               | 2.45 (2000-2005)      | 1.91 (2015-2020)      | 1.76 (2045-2050)      |
| Public pension expenditures (as %age of GDP) | NA                    | 2.9% (2010)           | 5.6%                  |
| GDP per capita (Current Int \$)              | 4,000                 | 12,100                | NA                    |
| Financial Assets per capita (\$)             | 7,600                 | 19,500 (2013)         | NA                    |

See references in the back





# The New Zealand Pension System

## POSITION IN INDICES:

Pension Sustainability Index 2014: Dark Green

## THE PENSION SYSTEM IN A NUTSHELL:

| Public Pillar  | Occupational Pillar  | Personal Pillar  |
|--|--|--|
| <ul style="list-style-type: none"> <li>• Non-contributory pension, universal</li> <li>• Statutory Retirement Age: 65 Men &amp; Women</li> <li>• Public reserve fund</li> <li>• Gross replacement rate – 40.6%</li> </ul> | <ul style="list-style-type: none"> <li>• KiwiSaver scheme</li> <li>• Auto-enrolment</li> <li>• Tax: TTE + subsidies</li> <li>• Coverage: 77.1% (2014)</li> <li>• Employer and employee contribution rate, a minimum of 3%</li> <li>• Gross replacement rate 14.1%</li> <li>• DC dominating</li> <li>• Pension Assets (2013) – 9.3% of GDP</li> </ul> | <ul style="list-style-type: none"> <li>• Tax incentives</li> </ul> |

## REFORMS ON AGENDA:

- Plans to increase retirement age to 67. However, no legislation exists yet
- Indexation is to switch to the average of CPI and earnings growth

## KEY FIGURES:

|  | 2000                  | 2015                  | 2050                  |
|--|-----------------------|-----------------------|-----------------------|
| Population (thousands)                       | 3,900                 | 4,600                 | 5,800                 |
| Old Age Dependency Ratio                     | 18.0                  | 22.5                  | 38.3                  |
| Life expectancy at age 65 (W/M)              | 20.0/16.9 (2000-2005) | 21.6/19.1 (2015-2020) | 24.4/21.6 (2045-2050) |
| Strongest Birth Cohorts                      | 1960-1965             |                       |                       |
| Fertility Rate                               | 1.95 (2000-2005)      | 1.99 (2015-2020)      | 1.83 (2045-2050)      |
| Public pension expenditures (as %age of GDP) | 5%                    | 4.7% (2010)           | 8%                    |
| GDP per capita (Current Int \$)              | 13,900                | 46,200                | NA                    |
| Financial Assets per capita (\$)             | 22,100                | 48,400 (2013)         | NA                    |

See references in the back



# The Philippine Pension System

## POSITION IN INDICES:

Pension Sustainability Index 2014: NA

## THE PENSION SYSTEM IN A NUTSHELL:

| Public Pillar  | Occupational Pillar  | Personal Pillar  |
|--|--|--|
| <ul style="list-style-type: none"> <li>• PAYG, partly funded</li> <li>• Earnings-related, basic &amp; minimum pension</li> <li>• Lump-sums possible</li> <li>• Statutory Retirement Age: 65 (m/w); 60 with 120 months of contributions</li> <li>• Contribution rate: EE 3.33; ER 7.07%</li> <li>• Net replacement rate: 37.7%</li> </ul> | <ul style="list-style-type: none"> <li>• Mandatory minimum scheme</li> <li>• Lump sum payment</li> <li>• Capital funded/ book reserves</li> <li>• Predominantly DB</li> <li>• Employer contributions only</li> <li>• Contribution tax-deductible</li> <li>• Partial vesting after 5 years, full vesting: 20 years</li> </ul> | <ul style="list-style-type: none"> <li>• Personal equity and retirement account (new)</li> <li>• Employer co-contributions possible</li> <li>• Government provident savings programs (Pag-IBIG)</li> </ul> |

## REFORMS ON AGENDA:

## KEY FIGURES:

|  | 2000                  | 2015                  | 2050                  |
|--|-----------------------|-----------------------|-----------------------|
| Population (thousands)                       | 77,650                | 101,800               | 157,100               |
| Old Age Dependency Ratio                     | 5.5                   | 6.5                   | 14.0                  |
| Life expectancy at age 65 (W/M)              | 12.2/14.4 (2000-2005) | 12.6/15.1 (2015-2020) | 13.7/16.9 (2045-2050) |
| Strongest Birth Cohorts                      | 2005-2007             |                       |                       |
| Fertility Rate                               | 3.7 (2000-2005)       | 2.9 (2015-2020)       | 2.2 (2045-2050)       |
| Public pension expenditures (as %age of GDP) | 1%                    | 1.1%                  | 2.0%                  |
| GDP per capita (Current Int \$)              | 2,450                 | 4,680 (2013)          | NA                    |
| Financial Assets per capita (\$)             | NA                    | 180 (2012)            | NA                    |

See references in the back



# The Singaporean Pension System

## POSITION IN INDICES:

Pension Sustainability Index 2014: Light Yellow

## THE PENSION SYSTEM IN A NUTSHELL:

| Public Pillar   | Occupational Pillar  | Personal Pillar  |
|---|--|--|
| <ul style="list-style-type: none"> <li>Central Provident Fund (CPF): Funded, DC</li> <li>Multi-purpose vehicle for medical, housing and retirement savings</li> <li>Contribution rate, age related:<br/>age &lt; 50: ER 16%/EE 20%; age 50-55: ER 14%/EE 18.5%;<br/>age 55-60: ER 10.5%/EE 13%; age 60-65: ER 7%/EE 7.5%</li> <li>At age 55, a minimum amount has to be accumulated in the retirement account (SGD 155,000 in 2014)</li> <li>mandatory annuitization as of age 63 (65 by 2018)</li> <li>Replacement rate (gross) – 38.5%</li> <li>Pension Assets (2013) – 68.5% of GDP</li> </ul> | <ul style="list-style-type: none"> <li>No occupational Pillar (see CPF)</li> </ul> | <ul style="list-style-type: none"> <li>Supplementary Retirement Scheme (SRS)</li> <li>Tax: EET (for employee)</li> </ul> |

## REFORMS ON AGENDA:

- Plans to introduce more flexibility into the CPF system, with the introduction of specific conditions for (some) Lump sum withdrawals

## KEY FIGURES:

|  | 2000                  | 2015                  | 2050                  |
|--|-----------------------|-----------------------|-----------------------|
| Population (thousands)                       | 4,000                 | 5,600                 | 7,100                 |
| Old Age Dependency Ratio                     | 10.3                  | 15.2                  | 48.7                  |
| Life expectancy at age 65 (W/M)              | 19.7/16.3 (2000-2005) | 22.7/18.9 (2015-2020) | 26.5/22.5 (2045-2050) |
| Strongest Birth Cohorts                      | 1955-1960             |                       |                       |
| Fertility Rate                               | 1.35 (2000-2005)      | 1.31 (2015-2020)      | 1.40 (2045-2050)      |
| Public pension expenditures (as %age of GDP) | NA                    | NA                    | NA                    |
| GDP per capita (Current Int \$)              | 23,800                | 58,100                | NA                    |
| Financial Assets per capita (\$)             | 55,400                | 129,500 (2013)        | NA                    |

See references in the back



# The South Korean Pension System

## POSITION IN INDICES:

Pension Sustainability Index 2014: Yellow

## THE PENSION SYSTEM IN A NUTSHELL:

| Public Pillar  | Occupational Pillar  | Personal Pillar  |
|--|--|--|
| <ul style="list-style-type: none"> <li>• Non-contributory pension, means tested, tax financed</li> <li>• Earnings-related, PAYG</li> <li>• Statutory Retirement Age: Men and women 61 (increasing to 65 by 2033)</li> <li>• Contribution rate: 9% (shared by EE/ER)</li> <li>• Reserve Fund</li> <li>• Gross replacement rate 39.6%</li> </ul> | <ul style="list-style-type: none"> <li>• Mandatory severance pay plan, DB, solely ER contributes</li> <li>• Or retirement pension plans, DB or DC</li> <li>• Pension Assets (2013) – 23.4% of GDP</li> <li>• Tax: EET</li> </ul> | <ul style="list-style-type: none"> <li>• Tax: EET</li> </ul> |

## REFORMS ON AGENDA:

- Government mandate to shift severance payment plans to employee retirement plans. The shift is to be completed by 2022, starting with major Employers (300 employees and more) in 2016

## KEY FIGURES:

|  | 2000                  | 2015                  | 2050                  |
|--|-----------------------|-----------------------|-----------------------|
| Population (thousands)                       | 47,000                | 49,800                | 51,000                |
| Old Age Dependency Ratio                     | 10.2                  | 17.9                  | 65.7                  |
| Life expectancy at age 65 (W/M)              | 18.9/15.1 (2000-2005) | 22.5/18.1 (2015-2020) | 27.4/21.0 (2045-2050) |
| Strongest Birth Cohorts                      | 1960-1965             |                       |                       |
| Fertility Rate                               | 1.22 (2000-2005)      | 1.21 (2015-2020)      | 1.68 (2045-2050)      |
| Public pension expenditures (as %age of GDP) | 1.4%                  | 0.9% (2010)           | 5.5%                  |
| GDP per capita (Current Int \$)              | 11,900                | 30,800                | NA                    |
| Financial Assets per capita (\$)             | 14,900                | 50,700 (2013)         | NA                    |

See references in the back



# The Taiwanese Pension System

## POSITION IN INDICES:

Pension Sustainability Index 2014: Light Orange

## THE PENSION SYSTEM IN A NUTSHELL:

| Public Pillar  | Occupational Pillar   | Personal Pillar  |
|--|---|--|
| <ul style="list-style-type: none"> <li>Contributory social assistance (national pension)</li> <li>Earning related DB pension (labor insurance)</li> <li>Contribution rate (labor insurance): EE: 1.7%; ER: 5.95%; STATE: 0.85%</li> <li>Legal retirement age: National pension: 65 (M/W); Labor Insurance (new entrants): 60 (M/W); Labor Insurance (old participants): 55(W) 60(M)</li> </ul> | <ul style="list-style-type: none"> <li>Mandatory</li> <li>DB (old scheme) and DC (new scheme, since 2005).</li> <li>ER mandatory contributions: 6% or more (new scheme)</li> <li>Lump-sum payments or annuity</li> <li>Guaranteed minimum rate of return</li> <li>Pension Assets (old and new scheme): 11% of GDP (2013)</li> </ul> | <ul style="list-style-type: none"> <li>Employee voluntary contributions to the new occupational scheme up to 6% of monthly wage</li> <li>Contributions are tax exempt</li> </ul> |

## REFORMS ON AGENDA:

- Gradual increase in the contributions to the National Pension and to Labor Insurance
- Measures to improve state-run pension funds' performance and asset allocation under discussion

## KEY FIGURES:

|  | 2000                  | 2015                  | 2050                  |
|--|-----------------------|-----------------------|-----------------------|
| Population (thousands)                       | 22,300                | 23,500                | 20,400                |
| Old Age Dependency Ratio                     | 10.2                  | 16.9                  | 66.3                  |
| Life expectancy at age 65 (W/M)              | 19.0/16.6 (2000-2005) | 20.7/17.9 (2010-2015) | 24.2/21.6 (2045-2050) |
| Strongest Birth Cohorts                      | NA                    |                       |                       |
| Fertility Rate                               | 1.43 (2000-2005)      | 1.06 (2015-2020)      | 1.58 (2045-2050)      |
| Public pension expenditures (as %age of GDP) | NA                    | NA                    | NA                    |
| GDP per capita (Current Int \$)              | 14,600                | 23,200                | NA                    |
| Financial Assets per capita (\$)             | 40,800                | 105,200 (2013)        | NA                    |

See references in the back



# The Thai Pension System

## POSITION IN INDICES:

Pension Sustainability Index 2014: Red

## THE PENSION SYSTEM IN A NUTSHELL:

| Public Pillar   | Occupational Pillar   | Personal Pillar  |
|---|---|--|
| <ul style="list-style-type: none"> <li>• Old-age allowance (non-contributory)</li> <li>• Earnings related, PAYG</li> <li>• Statutory Retirement Age: 55 (Men &amp; Women)</li> <li>• Contribution Rate: 3% EE; 3% ER; 3% State</li> <li>• Gross replacement rate 47.1%</li> </ul> | <ul style="list-style-type: none"> <li>• Government pension fund, DC</li> <li>• Provident Funds, DC</li> <li>• Contributions are tax deductible</li> <li>• Replacement rate – NA</li> <li>• Pension income tax exempt</li> <li>• Pension Assets (2013) – 6.3% of GDP</li> </ul> | <ul style="list-style-type: none"> <li>• Voluntary</li> <li>• Financial incentives</li> <li>• Retirement mutual funds</li> <li>• National savings fund aimed at informal workers since 2012</li> </ul> |

## REFORMS ON AGENDA:

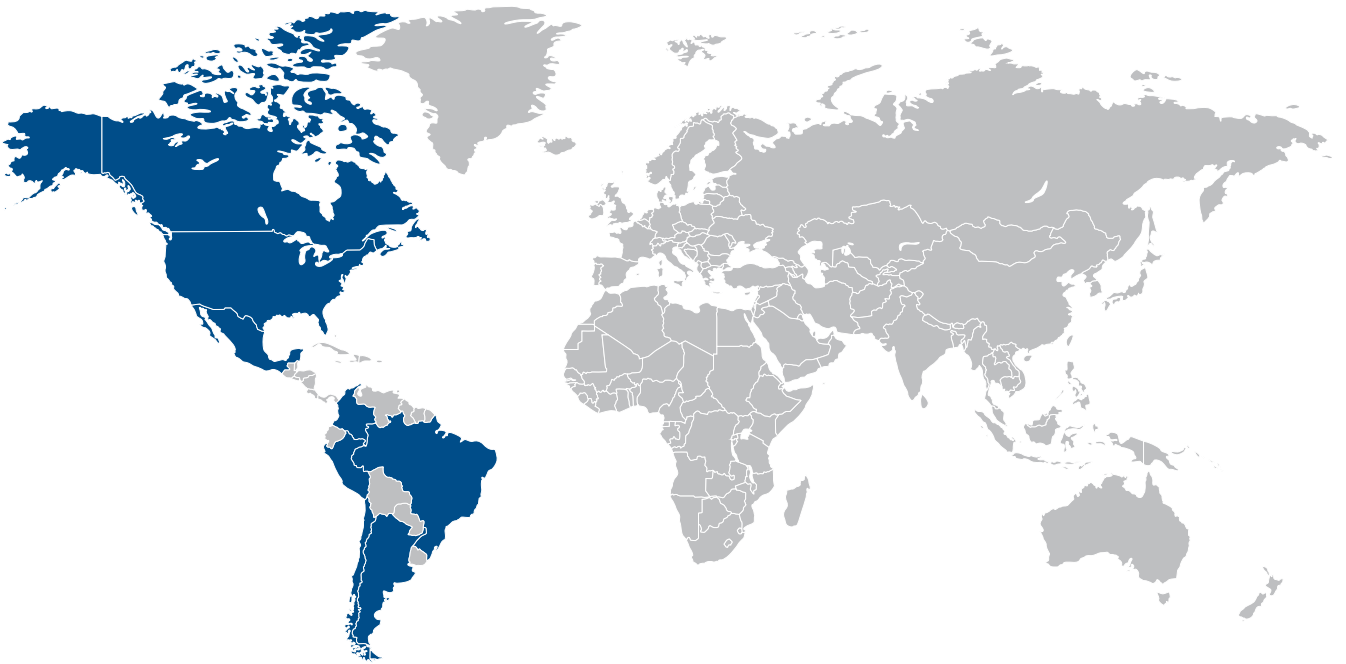
- Discussions about a universal pension

## KEY FIGURES:

|  | 2000                  | 2015                  | 2050                  |
|--|-----------------------|-----------------------|-----------------------|
| Population (thousands)                       | 61,800                | 67,400                | 61,700                |
| Old Age Dependency Ratio                     | 9.5                   | 14.5                  | 53.1                  |
| Life expectancy at age 65 (W/M)              | 17.8/15.7 (2000-2005) | 19.1/16.8 (2015-2020) | 21.7/19.0 (2045-2050) |
| Strongest Birth Cohorts                      | 1965-1970             |                       |                       |
| Fertility Rate                               | 1.60 (2000-2005)      | 1.36 (2015-2020)      | 1.61 (2045-2050)      |
| Public pension expenditures (as %age of GDP) | NA                    | NA                    | NA                    |
| GDP per capita (Current Int \$)              | 2,000                 | 5,800                 | NA                    |
| Financial Assets per capita (\$)             | 1,800                 | 6,300 (2013)          | NA                    |

See references in the back

# Americas





# The Argentine Pension System

## POSITION IN INDICES:

Pension Sustainability Index 2014: NA

## THE PENSION SYSTEM IN A NUTSHELL:

| Public Pillar   | Occupational Pillar   | Personal Pillar  |
|---|---|--|
| <ul style="list-style-type: none"> <li>• Basic pension</li> <li>• Earning-linked</li> <li>• Social pensions for people 70 and above</li> <li>• Pay-as-you-go, partly funded</li> <li>• Self-employed contribute</li> <li>• Statutory Retirement Age: 65 men / 60 women</li> <li>• Contribution Rate: EE: 11%; ER: 10.17%-12.71%</li> <li>• Replacement rate – 90.4%</li> <li>• Coverage (2010) – 47%</li> </ul> | <ul style="list-style-type: none"> <li>• Uncommon after nationalization in 2008</li> <li>• Supplementary pension plans on a DC-basis</li> <li>• Tax: EET</li> <li>• Matching contributions</li> </ul> | <ul style="list-style-type: none"> <li>• Tax incentives</li> <li>• Not widespread</li> </ul> |

## REFORMS ON AGENDA:

## KEY FIGURES:

|  | 2000                  | 2015                  | 2050                  |
|--|-----------------------|-----------------------|-----------------------|
| Population (thousands)                       | 36,900                | 42,150                | 51,020                |
| Old Age Dependency Ratio                     | 16.0                  | 17.3                  | 30.9                  |
| Life expectancy at age 65 (W/M)              | 14.3/18.6 (2000-2005) | 15.7/20.1 (2015-2020) | 18.6/22.7 (2045-2050) |
| Strongest Birth Cohorts                      | 1991-1994             |                       |                       |
| Fertility Rate                               | 2.4 (2000-2005)       | 2.1 (2015-2020)       | 1.9 (2045-2050)       |
| Public pension expenditures (as %age of GDP) | NA                    | 5.9%                  | 8.6%                  |
| GDP per capita (Current Int \$)              | 9,430                 | 18,750 (2013)         | NA                    |
| Financial Assets per capita (\$)             | 215                   | 1,680 (2013)          | NA                    |

See references in the back





# The Brazilian Pension System

## POSITION IN INDICES:

Pension Sustainability Index 2014: Dark Orange

## THE PENSION SYSTEM IN A NUTSHELL:

| Public Pillar  | Occupational Pillar  | Personal Pillar   |
|--|--|---|
| <ul style="list-style-type: none"> <li>Earnings-related</li> <li>Minimum pension</li> <li>Social pension</li> <li>PAYG, tax subsidies</li> <li>Retirement Age: 65 M / 60 W</li> <li>Contribution rate:<br/>EE: 8%-11% (income-dependent),<br/>ER: 20.0% + additional taxes (total social security)</li> <li>Replacement rate: 57.5%</li> </ul> | <ul style="list-style-type: none"> <li>Voluntary</li> <li>Closed/ open / civil servants pension plans</li> <li>Closed pension plans mostly DB, shift to DC</li> <li>Pension assets as % of GDP 13.8% (closed funds)</li> <li>Tax: EET</li> </ul> | <ul style="list-style-type: none"> <li>Tax deductions</li> <li>Tax deferral</li> <li>Insurance and fund products</li> <li>Open pension funds mainly individual contracts</li> <li>Pension assets as % of GDP 7.7% (Open pension funds)</li> </ul> |

## REFORMS ON AGENDA:

- Federal employees will be soon covered with a second-pillar DC pension program as well as reformed first pillar
- Current employees under the 2003 rules have 24 months to opt in

## KEY FIGURES:

|  | 2000                  | 2015                  | 2050                  |
|--|-----------------------|-----------------------|-----------------------|
| Population (thousands)                       | 167,700               | 203,700               | 231,100               |
| Old Age Dependency Ratio                     | 8.5                   | 11.6                  | 36.2                  |
| Life expectancy at age 65 (W/M)              | 18.3/15.8 (2000-2005) | 20.1/17.3 (2015-2020) | 23.2/20.0 (2045-2050) |
| Strongest Birth Cohorts                      | 1980-1985             |                       |                       |
| Fertility Rate                               | 2.25(2000-2005)       | 1.75 (2015-2020)      | 1.71 (2045-2050)      |
| Public pension expenditures (as %age of GDP) | NA                    | 8.5% (2010)           | 15.8%                 |
| GDP per capita (Current Int \$)              | 3,700                 | 11,500                | NA                    |
| Financial Assets per capita (\$)             | 1,700                 | 7,800 (2013)          | NA                    |

See references in the back



# The Canadian Pension System

## POSITION IN INDICES:

Pension Sustainability Index 2014: Light Green

## THE PENSION SYSTEM IN A NUTSHELL:

| Public Pillar  | Occupational Pillar  | Personal Pillar   |
|--|--|---|
| <ul style="list-style-type: none"> <li>• Basic Old Age Security (OAS), income- and residence-tested</li> <li>• Canada/Quebec Pension Plan (CPP/QPP), earnings-related, PAYG, partially funded</li> <li>• Retirement Age: 65 (M/W)</li> <li>• Contribution Rate – EE/ER: 4.95% (CPP); EE/ER: 5.1% (QPP)</li> <li>• Replacement rate (gross): 39.2%</li> </ul> | <ul style="list-style-type: none"> <li>• Old schemes: DB</li> <li>• New schemes: DC</li> <li>• Typical DC Scheme: Total contribution rate – 8.5%, Replacement rate – 33.9%</li> <li>• Tax: EET</li> <li>• Pension Assets (2013) – 71.3% of GDP</li> <li>• Coverage: Voluntary – 33.4%</li> </ul> | <ul style="list-style-type: none"> <li>• Tax-free savings accounts TET</li> <li>• Coverage – 32.8%</li> </ul> |

## REFORMS ON AGENDA:

- Retirement age increases from 65 to 67 between 2023 and 2029
- Introduction of Pooled Registered Pension Plans to increase private sector pillar 2 coverage, aimed at self-employed and small businesses

## KEY FIGURES:

|  | 2000                  | 2015                  | 2050                  |
|--|-----------------------|-----------------------|-----------------------|
| Population (thousands)                       | 30,700                | 35,900                | 45,200                |
| Old Age Dependency Ratio                     | 18.4                  | 23.7                  | 42.0                  |
| Life expectancy at age 65 (W/M)              | 20.6/17.2 (2000-2005) | 22.1/19.1 (2015-2020) | 24.9/21.4 (2045-2050) |
| Strongest Birth Cohorts                      | 1955-1960             |                       |                       |
| Fertility Rate                               | 1.52 (2000-2005)      | 1.70 (2015-2020)      | 1.83 (2045-2050)      |
| Public pension expenditures (as %age of GDP) | 4.3%                  | 5.0% (2010)           | 6.3%                  |
| GDP per capita (Current Int \$)              | 24,100                | 52,300                | NA                    |
| Financial Assets per capita (\$)             | 67,800                | 139,400 (2013)        | NA                    |

See references in the back



# The Chilean Pension System

## POSITION IN INDICES:

Pension Sustainability Index 2014: Light Yellow

## THE PENSION SYSTEM IN A NUTSHELL:

| Public Pillar   | Occupational Pillar  | Personal Pillar  |
|---|--|--|
| <ul style="list-style-type: none"> <li>• Basic solidarity pension, non-contributory</li> <li>• Payable from age 65</li> <li>• Pension-income-tested supplementary welfare pension – depending on the DC pension level</li> <li>• Replacement rate – 4.8% (gross)</li> </ul> | <ul style="list-style-type: none"> <li>• Mandatory DC</li> <li>• Contributions are tax deferred (EET)</li> <li>• Subsidies to some groups</li> <li>• 65 (Men) / 60 (Women)</li> <li>• Contribution rate – EE: 10% + fee; ER 1.15% for disability and survivor pension only</li> <li>• Replacement rate – 37.2% (gross)</li> <li>• Pension Assets (2013) – 62.2% of GDP</li> <li>• Coverage: Mandatory – 75.6%</li> </ul> | <ul style="list-style-type: none"> <li>• Can also be additional savings in occupational pillar</li> <li>• Financial incentives exist</li> <li>• Coverage – NA</li> </ul> |

## REFORMS ON AGENDA:

## KEY FIGURES:

|  | 2000                  | 2015                  | 2050                  |
|--|-----------------------|-----------------------|-----------------------|
| Population (thousands)                       | 15,200                | 17,900                | 20,800                |
| Old Age Dependency Ratio                     | 11.2                  | 15.3                  | 40.9                  |
| Life expectancy at age 65 (W/M)              | 19.9/16.7 (2000-2005) | 21.9/18.6 (2015-2020) | 25.3/21.4 (2045-2050) |
| Strongest Birth Cohorts                      | 1960 – 1965           |                       |                       |
| Fertility Rate                               | 2.00 (2000-2005)      | 1.79 (2015-2020)      | 1.80 (2045-2050)      |
| Public pension expenditures (as %age of GDP) | 7.5%                  | 5.2% (2010)           | NA                    |
| GDP per capita (Current Int \$)              | 5,100                 | 15,700                | NA                    |
| Financial Assets per capita (\$)             | 5,000                 | 19,800 (2013)         | NA                    |

See references in the back



# The Colombian Pension System

## POSITION IN INDICES:

Pension Sustainability Index 2014: NA

## THE PENSION SYSTEM IN A NUTSHELL:

| Public Pillar  | Occupational Pillar   | Personal Pillar   |
|--|---|---|
| <ul style="list-style-type: none"> <li>• Social pension, means tested</li> <li>• A worker can choose between the public DB (RPM) and private system DC, only one is possible</li> <li>• Minimum pension equal to minimum wage</li> <li>• Statutory Retirement Age: 62 (Men) / 57 (Women) since 2014</li> <li>• Contribution Rate (EE: 4%; ER: 12%)</li> <li>• Replacement rate (RR) on average: 70.8% (gross)</li> </ul> | <ul style="list-style-type: none"> <li>• A worker can choose between RPM and private DC system (RAIS)</li> <li>• Contribution Rate (EE: 4%; ER: 12%) additional contribution graded acc. to wage</li> <li>• Pension Assets (2013) – 18.6% of GDP</li> <li>• Tax: EET</li> </ul> | <ul style="list-style-type: none"> <li>• Employees can contribute / complement voluntarily to the mandatory pension fund</li> <li>• Not widespread</li> </ul> |

## REFORMS ON AGENDA:

## KEY FIGURES:

|  | 2000                                       | 2015                  | 2050                  |
|--|--|-----------------------|-----------------------|
| Population (thousands)                       | 39,900                                     | 49,530                | 62,200                |
| Old Age Dependency Ratio                     | 7.9  | 10.0                  | 28.3                  |
| Life expectancy at age 65 (W/M)              | 17.4/15.4 (2000-2005)                      | 19.0/16.6 (2015-2020) | 21.8/18.9 (2045-2050) |
| Strongest Birth Cohorts                      | Youngest cohort (age 0-4) still increasing |                       |                       |
| Fertility Rate                               | 2.55 (2000-2005)                           | 2.17 (2015-2020)      | 1.80 (2045-2050)      |
| Public pension expenditures (as %age of GDP) | NA   | 3.4% (2012)           | NA                    |
| GDP per capita (Current Int \$)              | 2,480                                      | 8,860                 | NA                    |
| Financial Assets per capita (\$)             | 740  | 4,220 (2013)          | NA                    |

See references in the back



# The Mexican Pension System

## POSITION IN INDICES:

Pension Sustainability Index 2014: Light Yellow

## THE PENSION SYSTEM IN A NUTSHELL:

| Public Pillar   | Occupational Pillar   | Personal Pillar  |
|---|---|--|
| <ul style="list-style-type: none"> <li>• Non-contributory minimum pension</li> <li>• Statutory Retirement Age: 65 (Men &amp; women)</li> <li>• Replacement rate (gross) – 3.8%</li> </ul> | <ul style="list-style-type: none"> <li>• DC, mandatory for workforce entries after 1997</li> <li>• ER contributions tax deductible; EE contributions not tax deductible; no tax on return of investment; pension income largely tax free</li> <li>• Contribution rate – ER: 5.15%; EE: 1.125%; and state: 0.225% + social fee every quarter</li> <li>• Replacement rate (gross) – 24.7%</li> <li>• Pension Assets (2013) – 14.2% of GDP</li> <li>• Coverage: Mandatory – 40% of economically active population; high rate of informal workers without coverage</li> </ul> | <ul style="list-style-type: none"> <li>• Can also be additional savings in occupational pillar</li> <li>• Financial incentives</li> <li>• Coverage – NA</li> </ul> |

## REFORMS ON AGENDA:

## KEY FIGURES:

|  | 2000                  | 2015                  | 2050                  |
|--|-----------------------|-----------------------|-----------------------|
| Population (thousands)                       | 100,200               | 125,200               | 156,100               |
| Old Age Dependency Ratio                     | 8.1                   | 10.3                  | 32.0                  |
| Life expectancy at age 65 (W/M)              | 18.4/16.9 (2000-2005) | 20.2/18.3 (2015-2020) | 23.3/21.2 (2045-2050) |
| Strongest Birth Cohorts                      | 1990-1995             |                       |                       |
| Fertility Rate                               | 2.54 (2000-2005)      | 2.06 (2015-2020)      | 1.74 (2045-2050)      |
| Public pension expenditures (as %age of GDP) | 0.9%                  | 2.4% (2010)           | 3.5%                  |
| GDP per capita (Current Int \$)              | 7,000                 | 11,300                | NA                    |
| Financial Assets per capita (\$)             | 2,300                 | 9,800 (2013)          | NA                    |

See references in the back



# The Peruvian Pension System

## POSITION IN INDICES:

Pension Sustainability Index 2014: NA

## THE PENSION SYSTEM IN A NUTSHELL:

| Public Pillar  | Occupational Pillar  | Personal Pillar   |
|--|--|---|
| <ul style="list-style-type: none"> <li>• Social pension, means tested</li> <li>• Public pension (SNP)</li> <li>• A worker can choose between the public and private system</li> <li>• Minimum pension if qualifying conditions are not met</li> <li>• Statutory Retirement Age: 65 (Men) / 65 (Women); early retirement possible</li> <li>• Contribution Rate (EE: 13%; ER: 0%)</li> <li>• Replacement rate (RR) on average: 70.6% (gross); but graded acc. to age</li> <li>• Pension income is not taxed</li> </ul> | <ul style="list-style-type: none"> <li>• Private Pension system (SPP)</li> <li>• Mandatory for those opted out of SNP</li> <li>• SNP and SPP run parallel</li> <li>• Capital funded, DC</li> <li>• Contribution rate 10% plus additional fee for disability and survivor</li> <li>• RR – at least 40%</li> <li>• Pension Assets (2014) – 18.4% of GDP</li> <li>• Coverage: 28%</li> <li>• Pension income is not taxed</li> </ul> | <ul style="list-style-type: none"> <li>• Individual savings accounts (Cuentas individuales de Capitalizacion – CIC)</li> <li>• Life products</li> <li>• Not widespread</li> </ul> |

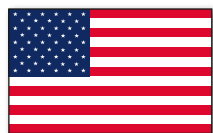
## REFORMS ON AGENDA:

- Increase of coverage, particularly informal workers

## KEY FIGURES:

|  | 2000                                       | 2015                  | 2050                  |
|--|--|-----------------------|-----------------------|
| Population (thousands)                       | 26,000                                     | 31,160                | 41,080                |
| Old Age Dependency Ratio                     | 8.6  | 10.3                  | 27.4                  |
| Life expectancy at age 65 (W/M)              | 17.5/15.4 (2000-2005)                      | 19.6/16.9 (2015-2020) | 23.0/20.3 (2045-2050) |
| Strongest Birth Cohorts                      | Youngest cohort (age 0-4) still increasing |                       |                       |
| Fertility Rate                               | 2.80 (2000-2005)                           | 2.29 (2015-2020)      | 1.83 (2045-2050)      |
| Public pension expenditures (as %age of GDP) | NA   | 1.9% (2012)           |                       |
| GDP per capita (Current Int \$)              | 2,020                                      | 6,820                 | NA                    |
| Financial Assets per capita (\$)             | 730  | 3,600 (2013)          | NA                    |

See references in the back



# The US Pension System

## POSITION IN INDICES:

Pension Sustainability Index 2014: Green

## THE PENSION SYSTEM IN A NUTSHELL:

| Public Pillar   | Occupational Pillar   | Personal Pillar  |
|---|---|--|
| <ul style="list-style-type: none"> <li>Earnings-related, PAYG</li> <li>Minimum pension</li> <li>Statutory Retirement Age: 66 (Men &amp; Women) (67 in 2027)</li> <li>Contribution Rate (EE: 6.2%; ER: 6.2%)</li> <li>Replacement rate: 38.3%</li> </ul> | <ul style="list-style-type: none"> <li>Voluntary</li> <li>DB/DC/cash-balance plans DC dominating</li> <li>Auto-enrolment</li> <li>Typical DC Scheme: Total contribution rate 9%, Replacement rate – 37.8%</li> <li>Tax: EET</li> <li>Pension Assets (2013) – 78% of GDP</li> <li>Coverage: Voluntary – 41.6%</li> </ul> | <ul style="list-style-type: none"> <li>Tax: EET</li> <li>Coverage – 22.0%</li> </ul> |

## REFORMS ON AGENDA:

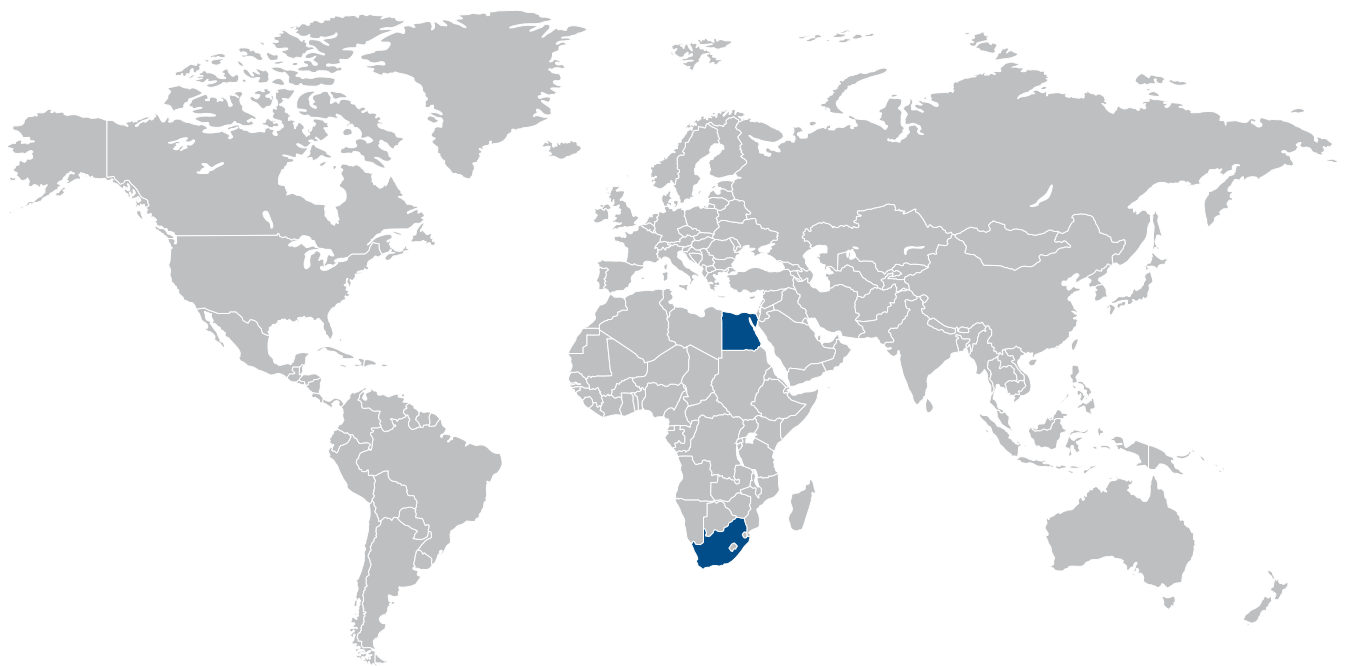
- Restriction in accumulations in retirement programs, limitation of tax-exempt accumulation

## KEY FIGURES:

|  | 2000                  | 2015                  | 2050                  |
|--|-----------------------|-----------------------|-----------------------|
| Population (thousands)                       | 275,300               | 325,100               | 400,900               |
| Old Age Dependency Ratio                     | 18.7                  | 22.2                  | 35.5                  |
| Life expectancy at age 65 (W/M)              | 19.3/16.4 (2000-2005) | 20.9/18.3 (2015-2020) | 23.2/20.5 (2045-2050) |
| Strongest Birth Cohorts                      | 1955-1960             |                       |                       |
| Fertility Rate                               | 2.04 (2000-2005)      | 1.98 (2015-2020)      | 1.99 (2045-2050)      |
| Public pension expenditures (as %age of GDP) | 5.9%                  | 4.6% (2010)           | 4.8%                  |
| GDP per capita (Current Int \$)              | 36,400                | 57,000                | NA                    |
| Financial Assets per capita (\$)             | 98,000                | 207,200 (2012)        | NA                    |

See references in the back

# Africa







# The Egyptian Pension System

## POSITION IN INDICES:

Pension Sustainability Index 2014: NA

## THE PENSION SYSTEM IN A NUTSHELL:

| Public Pillar  | Occupational Pillar  | Personal Pillar   |
|--|--|---|
| <ul style="list-style-type: none"> <li>• PAYG system</li> <li>• Partially funded</li> <li>• Earnings related</li> <li>• Statutory Retirement Age: 60 (Men)/60 (Women)</li> <li>• Contribution Rate – EE: 13/10%; ER: 17/15%; State: 1%; Rates for variable pay differ</li> <li>• Coverage (2009): 43,9%</li> </ul> | <ul style="list-style-type: none"> <li>• Voluntary participation</li> <li>• DB predominant</li> <li>• Mostly lump sum benefit</li> <li>• No. of schemes: 661 (2013)</li> <li>• Coverage (2013): 16,8%</li> <li>• Tax: EEE</li> <li>• Pensions Assets: 2.25% of GDP (2013)</li> </ul> | <ul style="list-style-type: none"> <li>• Voluntary participation</li> <li>• Underdeveloped</li> </ul> |

## REFORMS ON AGENDA:

- Due to the political upheaval, pension reforms stalled

## KEY FIGURES:

|  | 2000                  | 2015                  | 2050                  |
|--|-----------------------|-----------------------|-----------------------|
| Population (thousands)                       | 66,140                | 84,710                | 121,800               |
| Old Age Dependency Ratio                     | 9.0                   | 9.4                   | 18.7                  |
| Life expectancy at age 65 (W/M)              | 14.7/12.5 (2000-2005) | 15.5/13.0 (2015-2020) | 18.5/15.6 (2045-2050) |
| Strongest Birth Cohorts                      | 1955-1960             |                       |                       |
| Fertility Rate                               | 3.15 (2000-2005)      | 2.62 (2015-2020)      | 2.03 (2045-2050)      |
| Public pension expenditures (as %age of GDP) | 4.1% (2004)           | 3% (2010)             | NA                    |
| GDP per capita (Current Int \$)              | 1,570                 | 3,720                 | NA                    |
| Financial Assets per capita (\$)             | 1,350                 | 1,410 (2013)          | NA                    |

See references in the back



# The South African Pension System

## POSITION IN INDICES:

Pension Sustainability Index 2014: Orange

## THE PENSION SYSTEM IN A NUTSHELL:

| Public Pillar  | Occupational Pillar  | Personal Pillar   |
|--|--|---|
| <ul style="list-style-type: none"> <li>• Basic (non-contributory) pension (flat rate)</li> <li>• Means tested</li> <li>• Limited to South African nationals</li> <li>• Statutory Retirement Age: 60 (Men &amp; Women)</li> </ul> | <ul style="list-style-type: none"> <li>• Voluntary, covering employed in the formal sector</li> <li>• Matching contributions</li> <li>• Provident Fund</li> <li>• Tax incentives</li> <li>• Option of lump sum benefits (Tax free up to a certain limit)</li> <li>• Replacement rate (gross) – 54.5%</li> <li>• Coverage (2012) – 48.7%</li> <li>• Pension Assets (2012) – 87.1% of GDP</li> </ul> | <ul style="list-style-type: none"> <li>• Voluntary participation</li> <li>• Tax incentives</li> <li>• Tax: TEE</li> </ul> |

## REFORMS ON AGENDA:

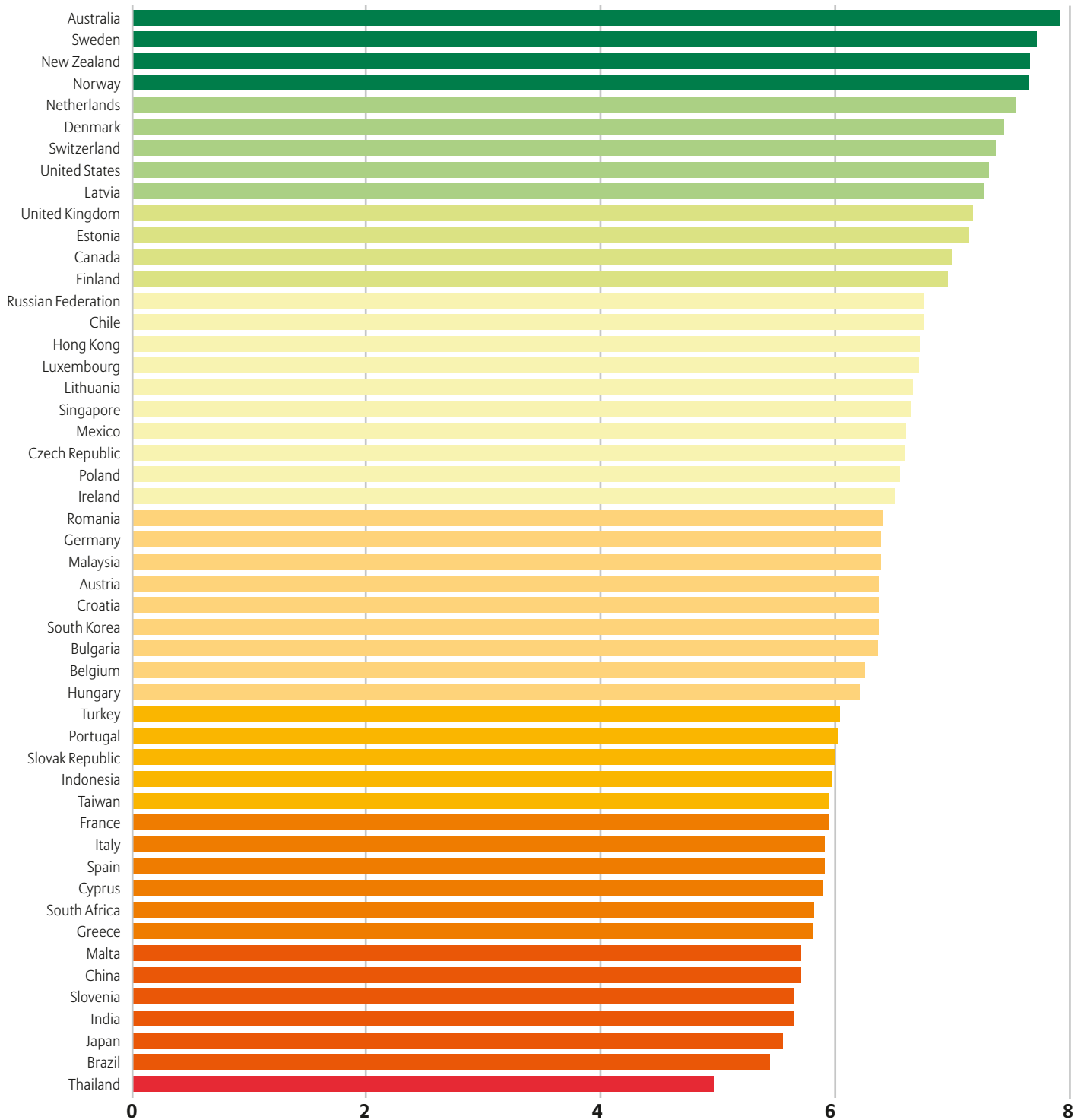
- Plans for tax deductibility of contributions. Extension the social security coverage to include permanent residents, as well as introduction of mandatory retirement contributions for those with income levels falling below a specific threshold

## KEY FIGURES:

|  | 2000                  | 2015                  | 2050                  |
|--|-----------------------|-----------------------|-----------------------|
| Population (thousands)                       | 44,850                | 53,490                | 63,400                |
| Old Age Dependency Ratio                     | 5.0                   | 8.8                   | 15.5                  |
| Life expectancy at age 65 (W/M)              | 10.5/14.5 (2000-2005) | 11.3/15.2 (2015-2020) | 13.2/17.5 (2045-2050) |
| Strongest Birth Cohorts                      | 2010-2015             |                       |                       |
| Fertility Rate                               | 2.8 (2000-2005)       | 2.3 (2015-2020)       | 1.9 (2045-2050)       |
| Public pension expenditures (as %age of GDP) | NA                    | 1.3% (2010)           | 2.3                   |
| GDP per capita (Current Int \$)              | 3,050                 | 6,480                 | NA                    |
| Financial Assets per capita (\$)             | NA                    | 8,450 (2013)          | NA                    |

See references in the back

# Pension Sustainability Index\*



\* Scale from 1 – 10: 10 minor need for reforms, 1 high need for reforms

# Abbreviations

|             |   |
|-------------|---|
| <b>DB</b>   | Defined Benefit   |
| <b>DC</b>   | Defined Contribution  |
| <b>EE</b>   | Employee  |
| <b>EEE</b>  | Contributions tax exempt, returns tax exempt, income tax exempt |
| <b>ER</b>   | Employer  |
| <b>EET</b>  | Contributions tax exempt, returns tax exempt, income taxed      |
| <b>GDP</b>  | Gross Domestic Product  |
| <b>NDC</b>  | Notional Defined Contribution                                   |
| <b>PAYG</b> | Pay as you go financing system                                  |
| <b>SGD</b>  | Singapore Dollar  |
| <b>TEE</b>  | Contributions taxed, returns tax exempt, income tax exempt      |
| <b>TTE</b>  | Contributions taxed, returns taxed, income tax exempt           |

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