

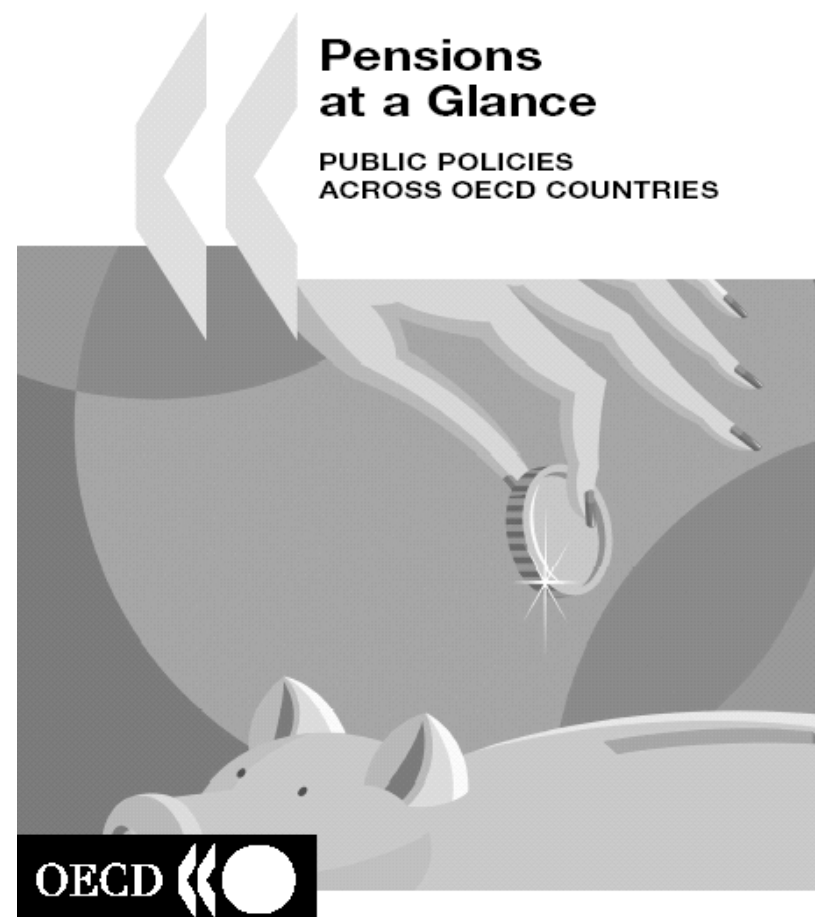
# Pensions at a Glance

Monika Queisser

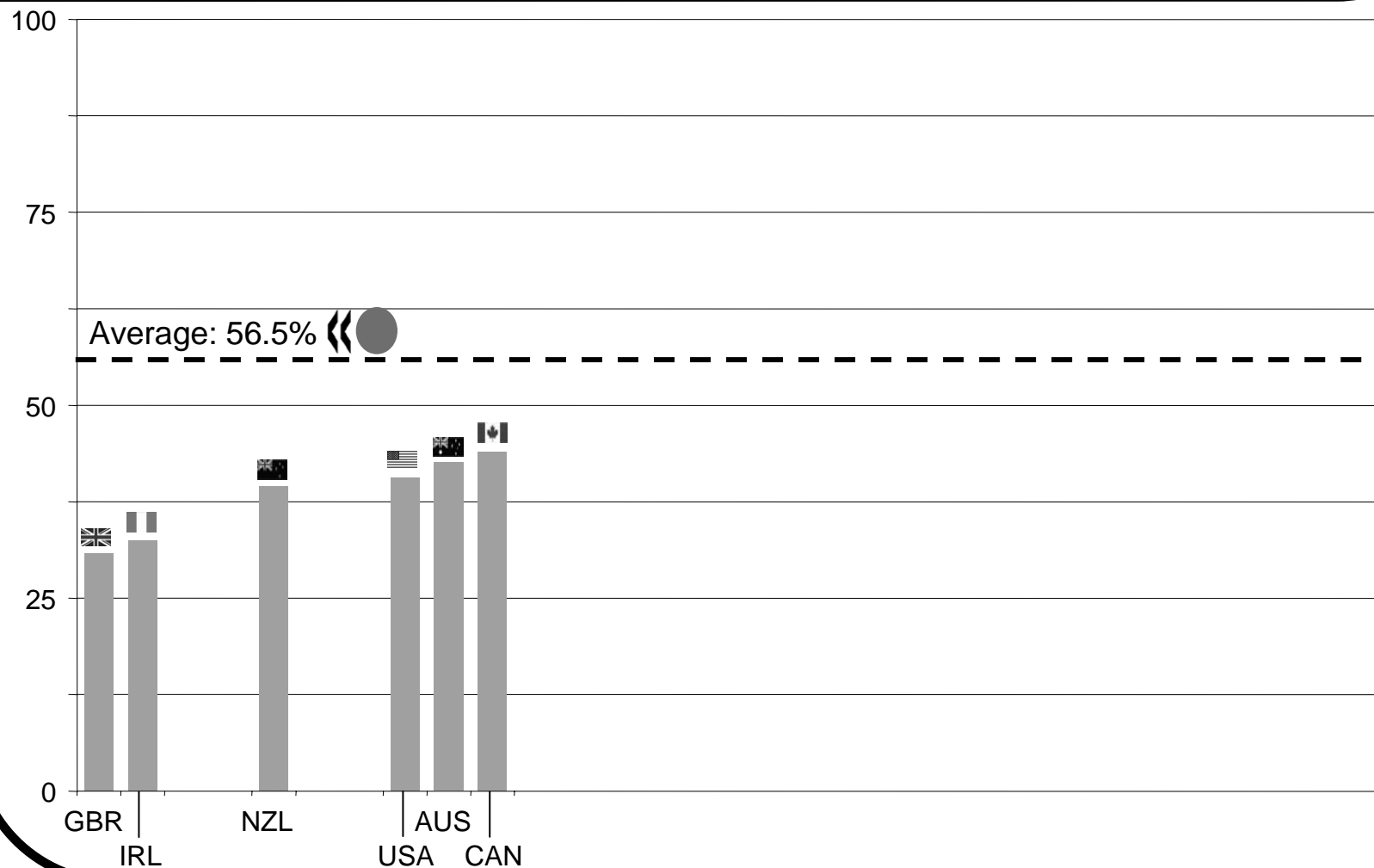
OECD/IOPS Conference on Private Pensions  
Istanbul, November 2006

# Comparing pension systems

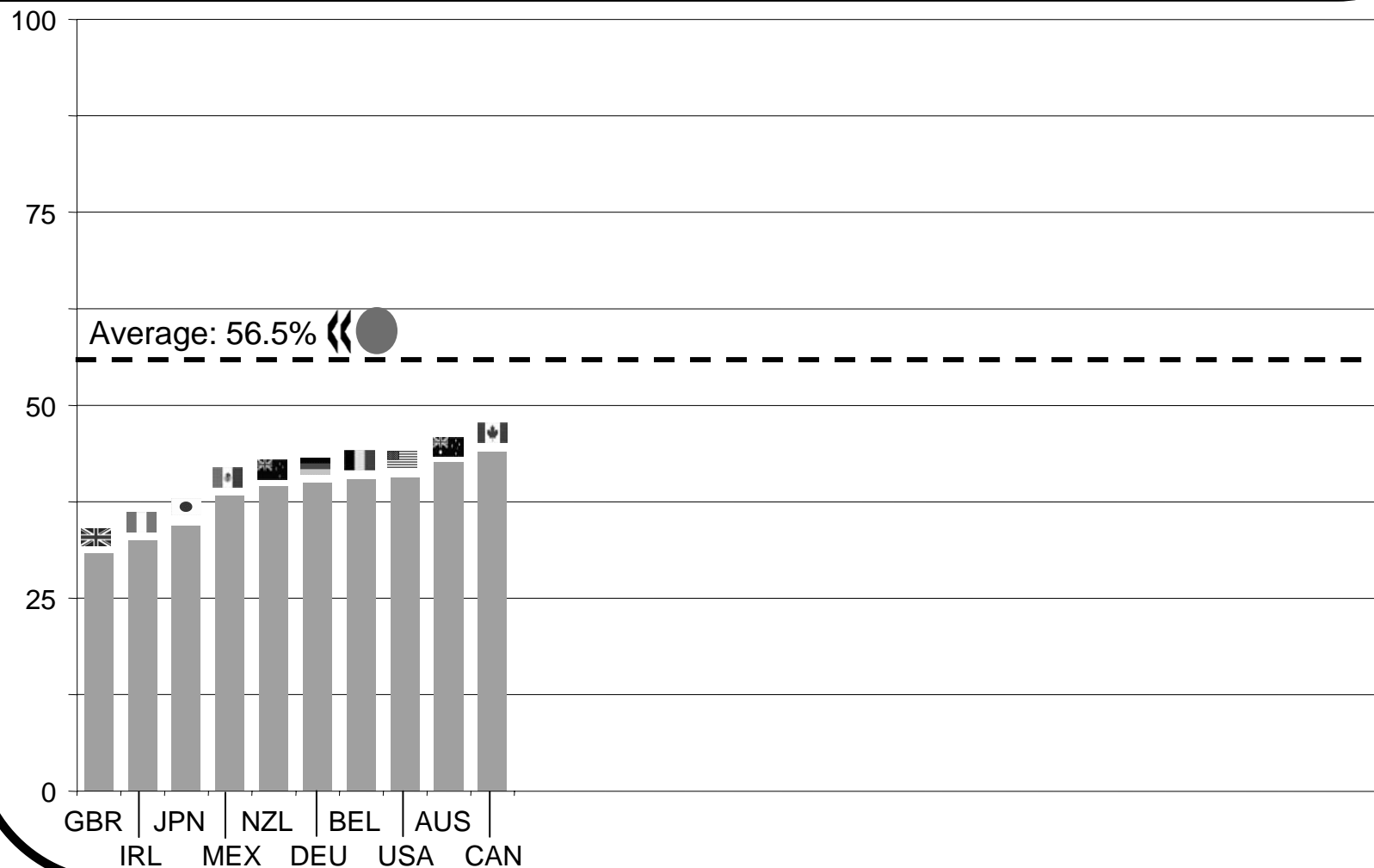
- All mandatory pensions
- Includes personal income tax and social security contributions
- Full-career workers
- Across the earnings distribution
- All currently legislated reforms fully in place



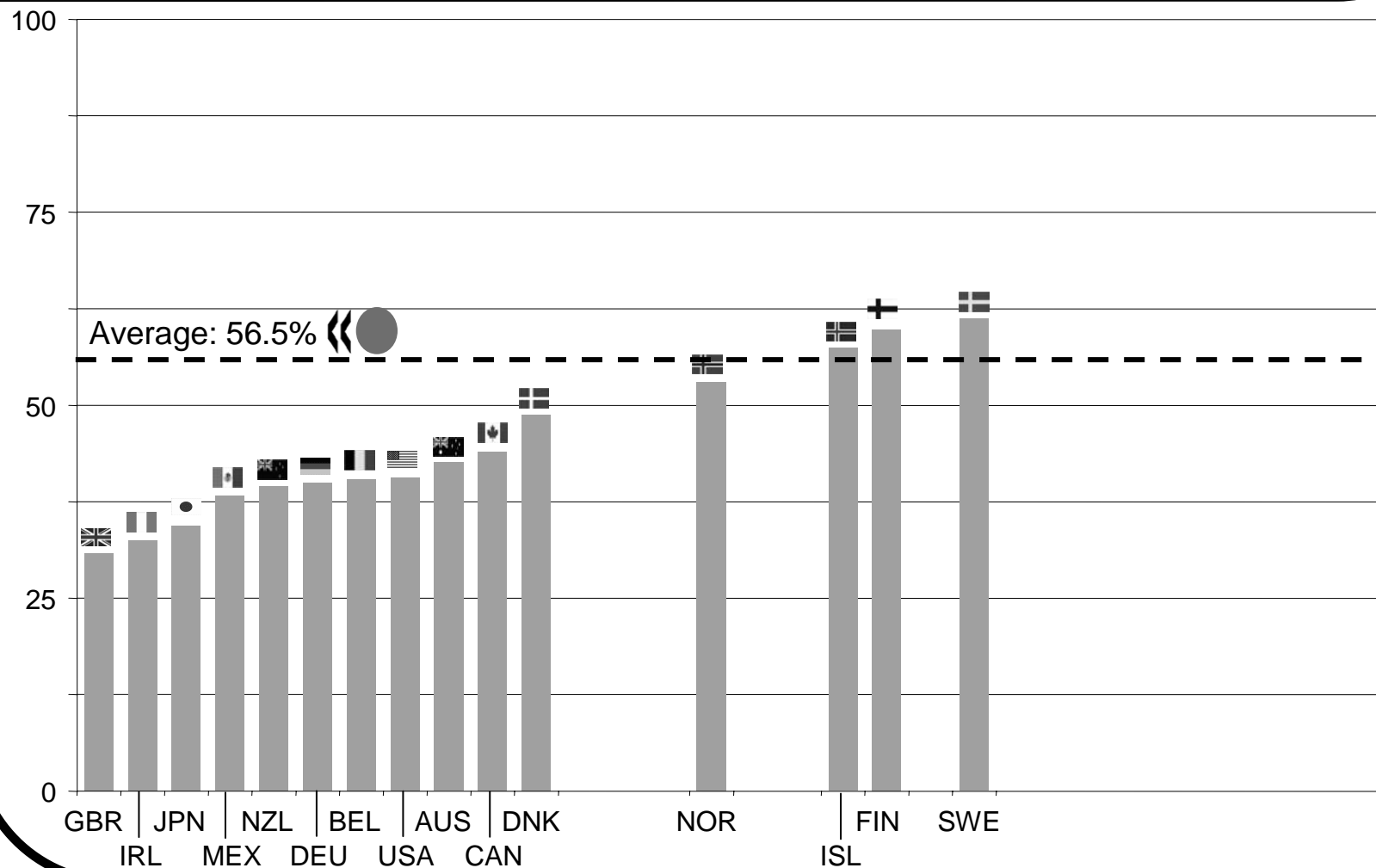
# Gross replacement rate, average earner



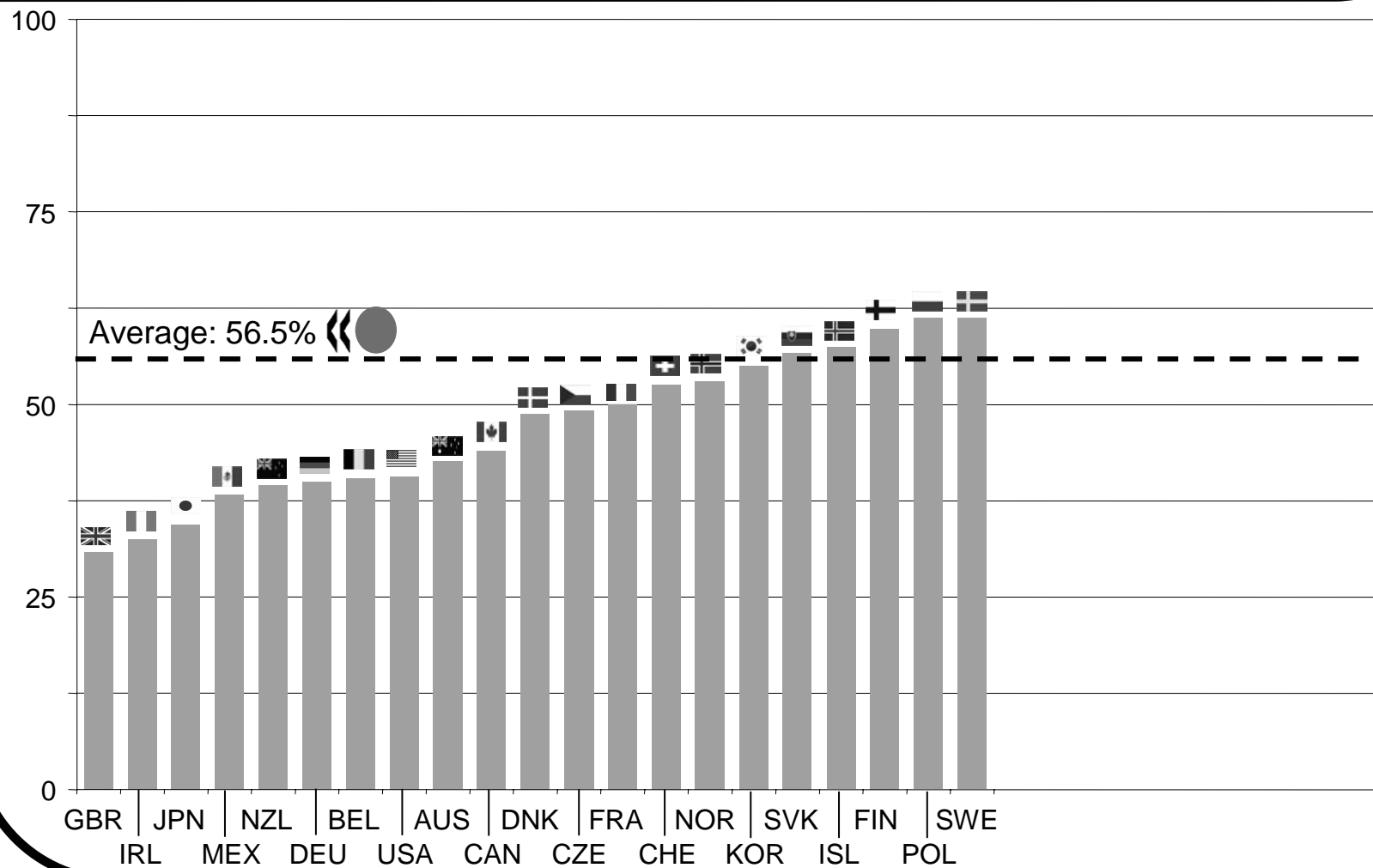
# Gross replacement rate, average earner



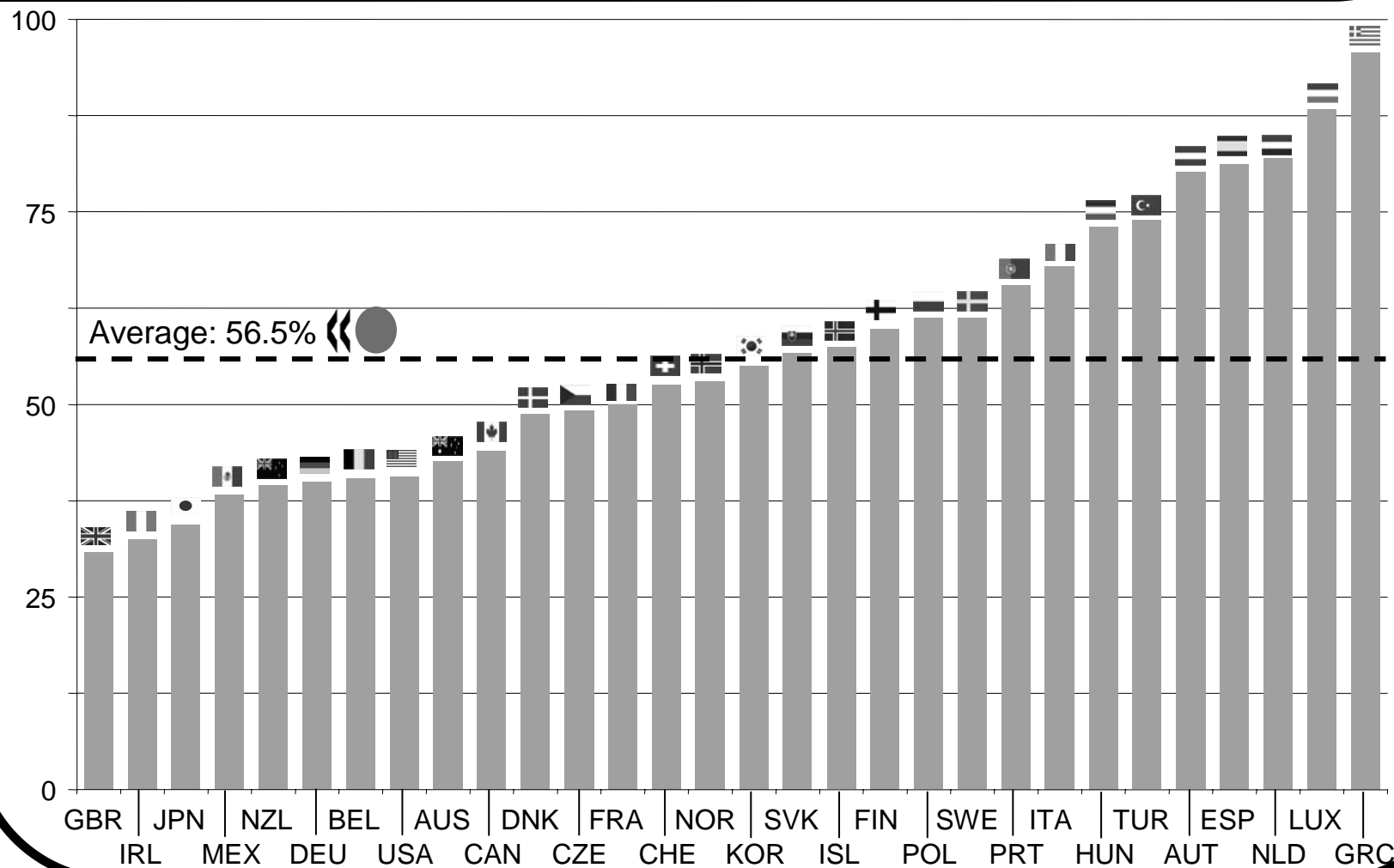
# Gross replacement rate, average earner



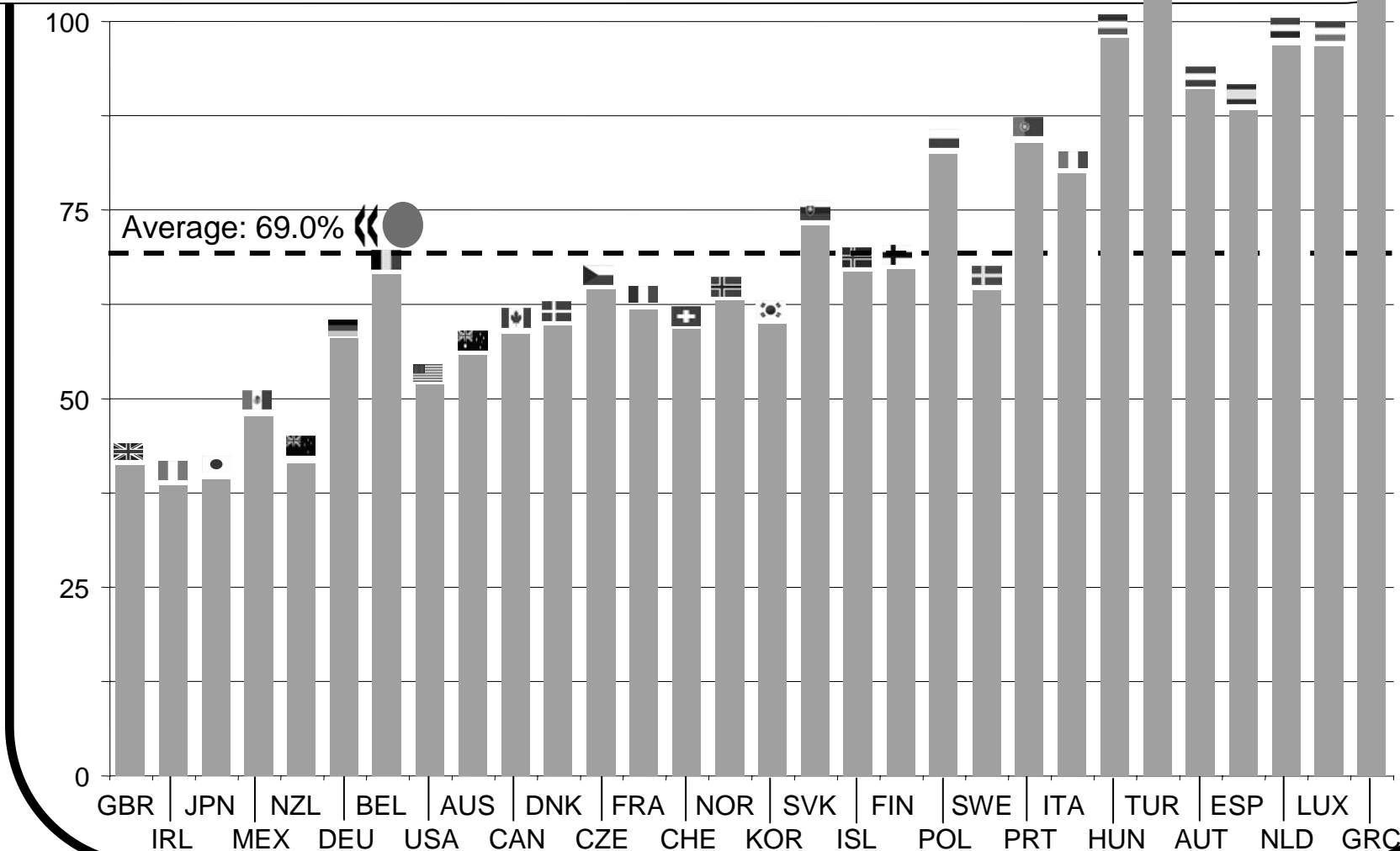
# Gross replacement rate, average earner



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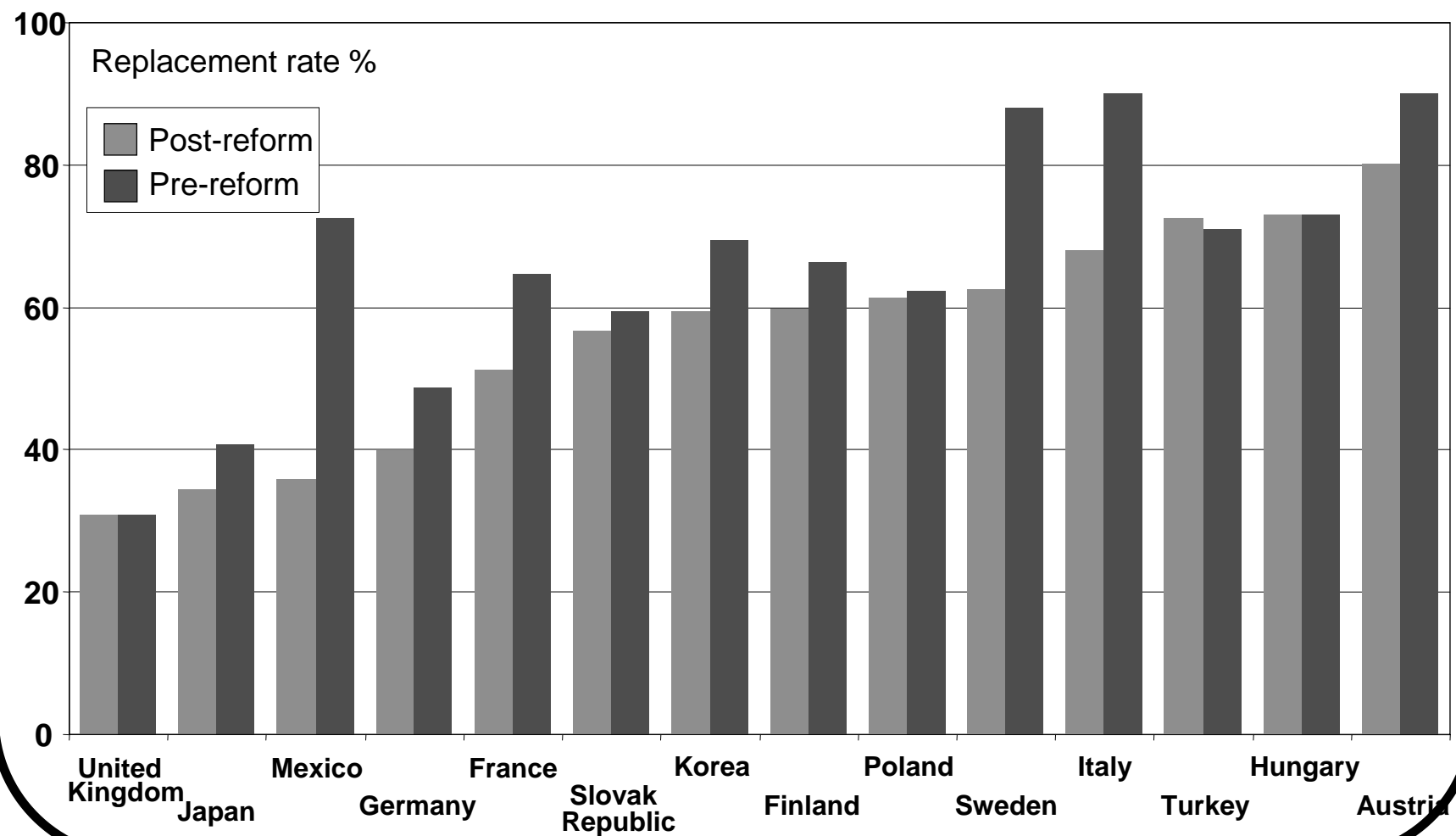
# Net replacement rate, average earner



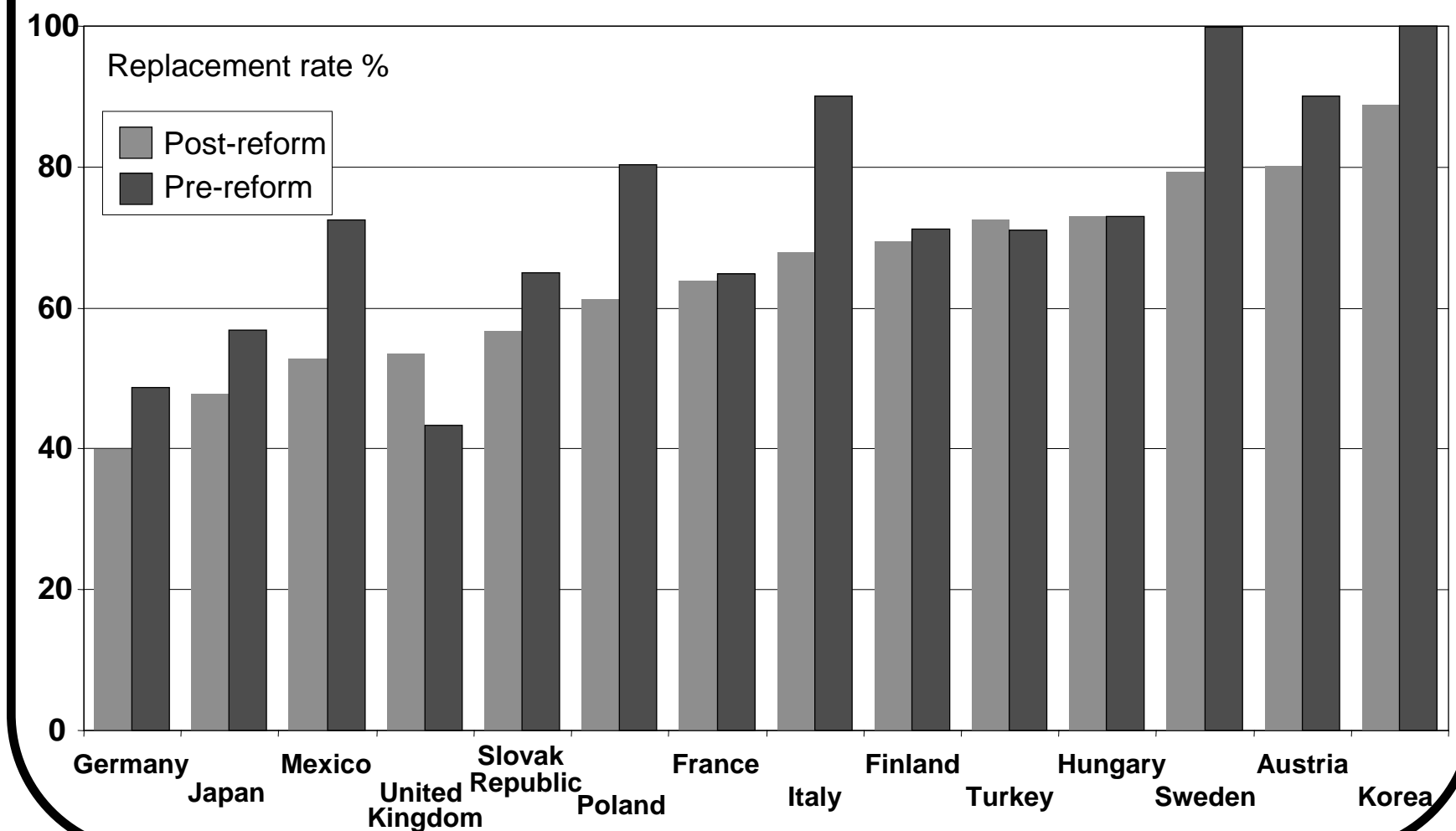
# Main elements of pension reforms

- Higher pension eligibility age
  - for men and women (11 countries; e.g. Italy, US)
  - or for women alone (6 countries; e.g. Australia, UK)
- Improved incentives to delay retirement
  - 10 countries; e.g. France, Germany, Italy, UK, US
- Tighter qualifying conditions for retirement
  - 9 countries; e.g. France, Italy
- Links to life expectancy or financial sustainability
  - in earnings-related schemes (Germany, Japan)
  - in qualifying conditions (France)
  - through notional accounts (Italy, Poland, Sweden)
  - through defined-contribution schemes (Australia, Hungary, Mexico, Poland, Slovakia, Sweden)
- Direct cuts in generosity rare
  - lower accrual rates (Austria, Japan)

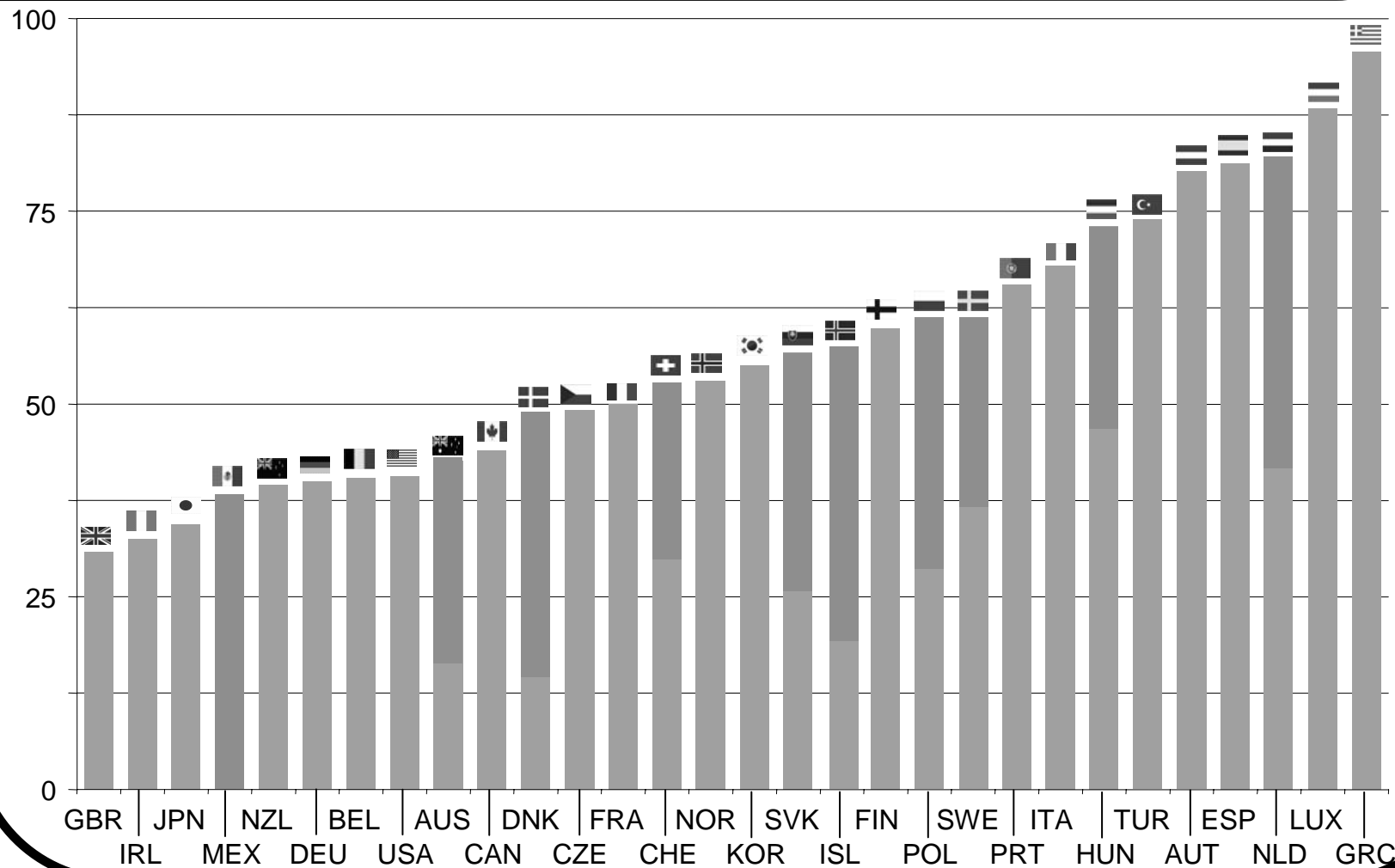
# Gross replacement rate, average earner



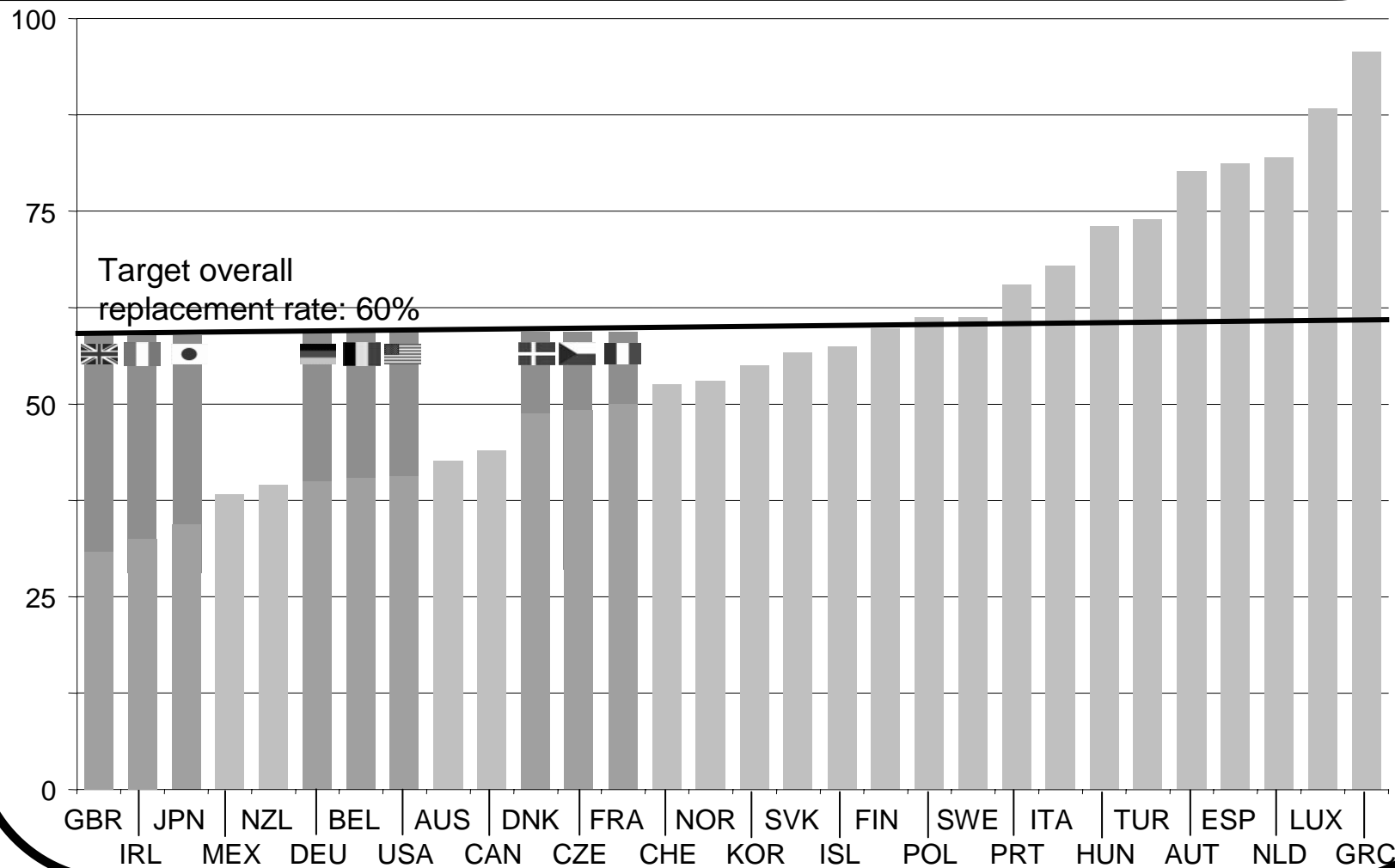
# Gross replacement rate, low earner



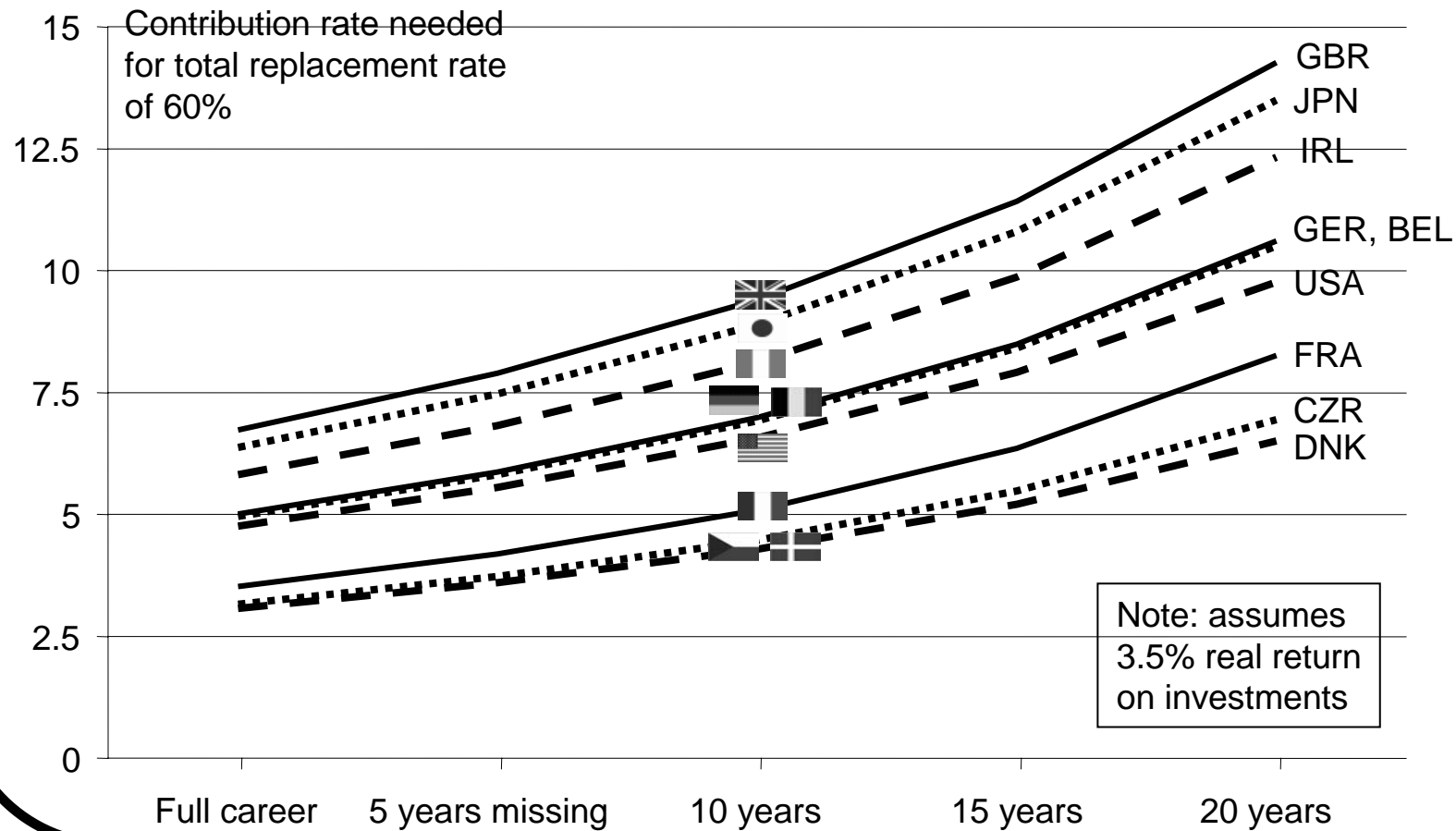
# Role of mandatory private pensions



# Pension savings gaps



# Filling the pension gap



# Policy implications

- Benefit cuts have been substantial
- Voluntary pensions have to fill the gap
- Level of savings not so much the problem, coverage/density is
- Increased old-age poverty risk means role of minimum pensions will be much more important

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