

ARGENTINA

		Key indicators			
			Argentina	OECD	
<p>Argentina: pension system in 2008</p> <p>The pension system has two main components: a basic component and an additional social insurance component. For those aged 70 and above there is also an additional age-related social insurance component, as well as a social assistance component.</p>	Average earnings	ARS USD	33 700 10 600	128 700 40 600	
	Public pension spending	% of GDP		7.0	
	Life expectancy	at birth		75.3	78.9
		at age 65		81.8	83.1
	Population over age 65	% of working-age population		18.9	23.6

Qualifying conditions

Retirement age for the basic pension is 65 for men and 60 for women with at least 30 years of service. To meet the contribution qualifying condition, the insured may substitute 2 years of age after the retirement age for 1 year of contributions.

Additional pension (social insurance): Age 65 (men) or age 60 (women) with at least 30 years of service.

Advanced old-age pension (social insurance): Aged 70 or older with at least 10 years of service, with contributions paid while employed or self-employed, including at least 5 of the last 8 years before leaving employment. A self-employed person must have been insured for at least 5 years.

Noncontributory old-age pension (social assistance): Needy persons aged 70 or older residing in Argentina.

Benefit calculation

Old age pension

The monthly pension is ARS 326.

Additional pension (social insurance)

The monthly pension is 1.5% of the insured's average adjusted monthly earnings in the last 10 years (weighted average adjusted amounts for all periods for self-employed persons) for each year of lifetime service.

Advanced-age old-age pension

The monthly pension is 70% of the basic old-age pension, plus the additional pension.

The minimum monthly advanced-age old-age pension is ARS 770.

The combined minimum monthly old-age pension (the sum of all contributory pensions) is ARS 770.

The maximum monthly old-age pension (sum of the basic and social insurance pensions) is ARS 5 646.

Pensions are paid monthly with a 13th payment equal to the regular monthly payment divided in half and paid in June and December. Benefits are adjusted automatically in March and September based on changes in tax revenue, wage indexes, and revenue of the National Social Security Administration.

Noncontributory old-age pension (social assistance)

The monthly pension is ARS 539 (70% of the minimum pension of ARS 770). Additional benefits may be paid for dependents under Family Allowances, below.

Personal income tax and social security contributions

Taxation of pensioners

There are no special tax allowances or credits for pensioners.

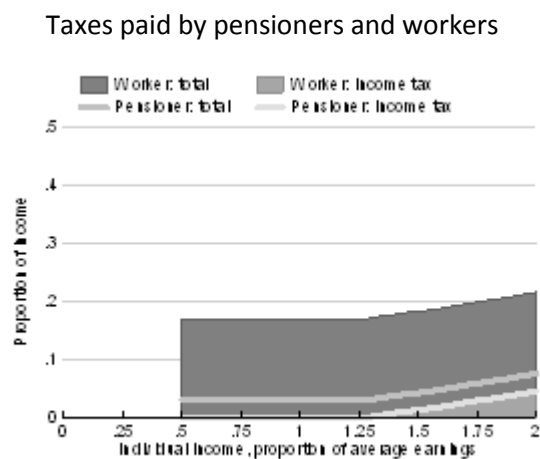
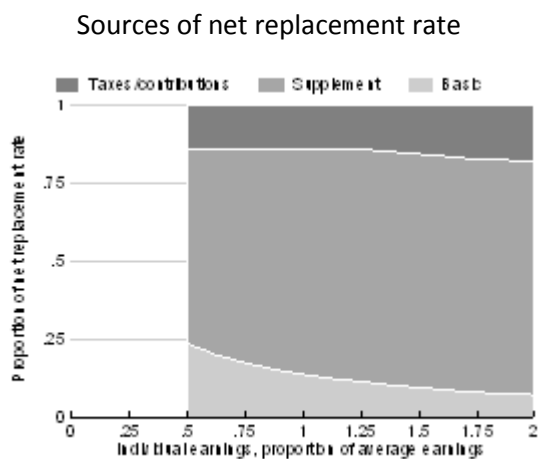
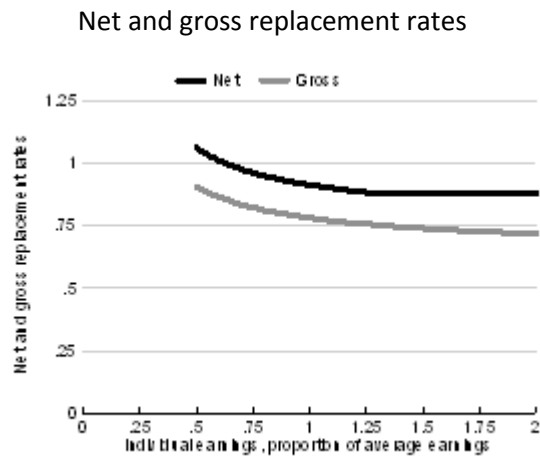
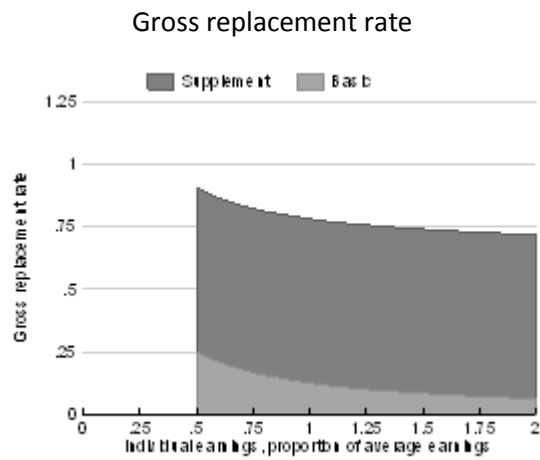
Taxation of pension income

Pensions are not taxed.

Social security contributions paid by pensioners

Old-age pension beneficiaries do not pay social security contributions.

Pension modelling results: Argentina



Men Women (where different)	Median earner	Individual earnings, multiple of average				
		0.5	0.75	1	1.5	2
Gross relative pension level (% average gross earnings)	65.7 59.8	45.3 41.7	61.7 56.3	78.1 70.8	110.9 100.0	143.7 129.1
Net relative pension level (% net average earnings)	76.7 69.8	53.0 48.7	72.1 65.8	91.3 82.8	129.6 116.8	166.2 150.8
Gross replacement rate (% individual gross earnings)	81.1 73.8	90.7 83.4	82.3 75.0	78.1 70.8	73.9 66.6	71.8 64.5
Net replacement rate (% individual net earnings)	94.7 86.2	106.0 97.5	96.2 87.7	91.3 82.8	87.8 79.1	88.0 79.8
Gross pension wealth (multiple of average gross earnings)	11.8 15.1	13.2 17.0	12.0 15.3	11.4 14.5	10.8 13.6	10.5 13.2
Net pension wealth (multiple of average net earnings)	11.5 14.6	12.8 16.5	11.6 14.9	11.0 14.0	10.4 13.2	10.0 12.8