



GREECE

		Key indicators		
		Greece	OECD	
Greece: pension system in 2008 Pensions are provided through an earnings-related public scheme with two components plus a series of minimum pensions/social safety nets.	Average earnings	EUR	23 900	27 800
		USD	35 000	40 600
	Public pension spending	% of GDP	11.9	7.0
	Life expectancy	at birth	79.2	78.9
		at age 65	82.6	83.1
	Population over age 65	% of working-age population	29.1	23.6

Qualifying conditions

The normal pension age is 65 for both men and women. A pension from this age requires a minimum of 4 500 days of contributions (equivalent to 15 years). Workers with a contribution record of 11 100 working days (37 years) can retire on a full benefit regardless of age. There are concessions for people who work in arduous or unhygienic occupations and for women with dependant or disabled children.

The minimum social pension requires 15 years' contributions.

Benefit calculation

Earnings-related scheme: main component

For labour-market entrants from 1993, the pension is 2% of earnings for each year of contributions up to 35 years. There is therefore a maximum replacement rate of 70% for people retiring at the normal age or earlier.

The earnings measure is the average over the last five years before retirement. These earnings (without the Christmas, Easter or vacation bonus) are adjusted, in line with increases defined in national income policy and taken into account for the calculation of the final pension amount.

There is a maximum pension, calculated as four times the GNP per capita. For 2008 the GNP per capita was formed as follows:

Between 1 January 2008 to 30 September 2008, EUR 679.75, consequently the maximum pension amounted to EUR 2 719, and from, 1 October 2008 to 31 December 2008, EUR 693.35, consequently the maximum pension amounted to EUR 2 773.4.

Adjustment of pensions in payment is discretionary. Since 2005, all pensions are increased by the same proportion. Given the lack of consistent practice in recent benefit adjustments, pension wealth calculations are based on price indexation.

Inflation for 2007 2.9%

“ “	2008	4.2%
Increases for	2007	4%
“ “	2008	3% from 1 January 2008 plus 2% from 1 October 2008

All pensions have 14 monthly payments.

Earnings-related scheme: supplementary component

The full supplementary pension is 20% of the earnings measure under the main component of the earnings-related scheme for workers with 35 years of contributions. The pension is proportionally reduced for shorter contribution periods, implying a linear accrual rate of 0.57%. The value is increased by 1/35th for each year of contributions (300 days) beyond 35 years.

Minimum pension

The amounts are adjusted annually as part of the income policy. For 2008, the main pensions were as follows:

- a) old-age and disability pension :
From 1 January 2008 to 30 September 2008: EUR 486.02 and from 1 October 2008 to 31 December 2008: EUR 495.74.
- b) Survivors pension:
From 1 January 2008 to 30 September 2008: EUR 388.80 and from 1 October 2008 to 31 December 2008: EUR 396.58.

The minimum supplementary pensions for the same year were as follows:

- c) old-age and disability pension:
From 1 January 2008 to 30 September 2008: EUR 119.17 and from 1 October 2008 to 31 December 2008: EUR 121.55.
- d) survivors pension:
From 1 January 2008 to 30 September 2008: EUR 95.33 and from 1 October 2008 to 31 December 2008: EUR 97.24.

Income-tested scheme: social solidarity benefit

This scheme, introduced in 1996, is a non-contributory, means-tested benefit payable to low-income pensioners eligible under most schemes (apart from the farmers' pension programme).

Eligibility for benefits under this scheme, known as EKAS, requires that total net income from all sources is less than EUR 7 750.42 (2008). Total taxable income must not exceed EUR 9 042.16 and the total taxable family income, EUR 14 070.23.

Income level, lower limit (EUR)	0	7.058,42	7.335,25	7.519,75	7.750,43
Benefit per month (EUR)	230,00	172,50	115,00	57,50	0

Variant careers

Early retirement

Early retirement is possible subject to reductions, as shown in the table below. The adjustment is 1/200 per month of early retirement, which is equivalent to 6% per year.

Number of years	Eligibility age	Conditions
15	65	no reduction

15	60	with reduction (1/200)
37	any	no reduction

Late retirement

It is possible to retire after the normal pension age of 65 and a contribution period of 35 years. An increased accrual rate of 3.3% is applied in the main component up to 68 years of age and for a maximum of 3 extra years; there is no accrual rate for those working after this period (maximum replacement rate of 80%). The supplementary component also continues to accrue.

It is possible to combine work and pension receipt as long as the people are no younger than 55 years of age. In that case the part of their monthly pension income that exceeds EUR 733 is reduced by 70%; there is an increment for dependent children.

Childcare

As of 2003, there is a credit towards the pension qualifying conditions of one year for the first child (300 days of insurance) and two years (600 days of insurance) for each subsequent child to a maximum of three children. This credit can be bought off by either parent and cannot count towards the minimum required insurance period, or for the cases of 37 years, 4 500 days or 3 500 days of insurance.

Unemployment

Periods of unemployment can be credited up to 200 days during the lifetime. If the unemployment period overlaps with the final five years used as a base for the calculation of pensionable earnings, it is omitted and the period used for computing pensionable earnings is extended backwards.

Long term unemployed (i.e. unemployed for at least 12 consecutive months) aged at least 60 (men) or 55 (women) (or 55 and 50, respectively, when employed in arduous and unhealthy jobs) who lack up to 1 500 days for qualifying for an old age and/or supplementary pension by IKA-ETAM, may optionally continue their insurance until they fulfil the minimum pension requirements. The corresponding social contributions are paid by a special account of the Labour Employment Office (LAEK).

Personal income tax and social security contributions

Taxation of pensioners

There are no special tax allowances or credits for older people.

Taxation of pension income

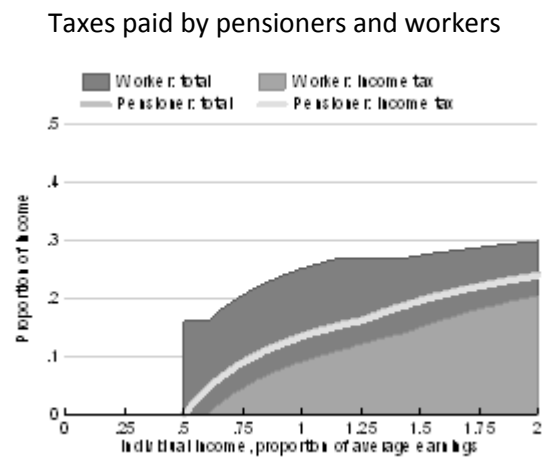
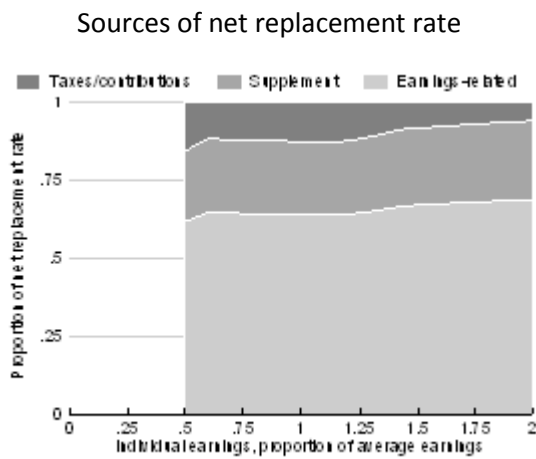
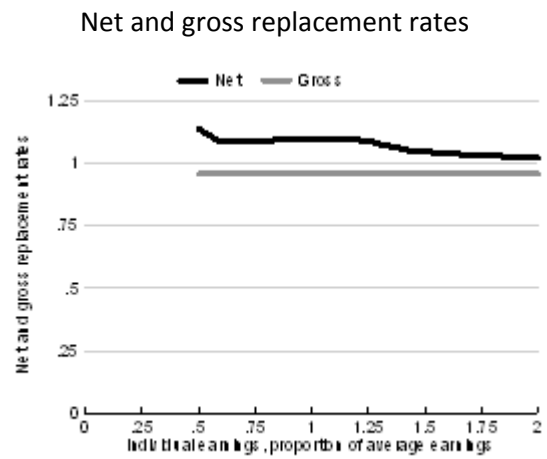
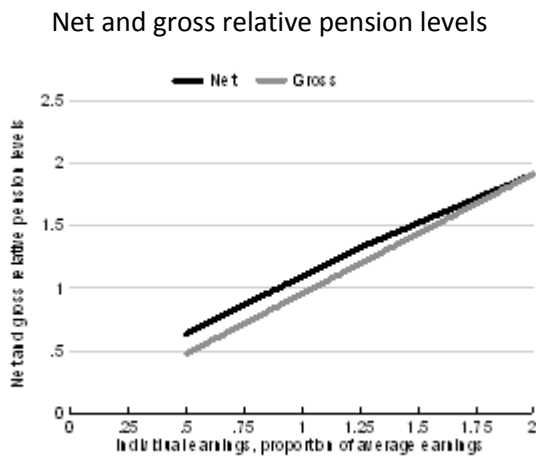
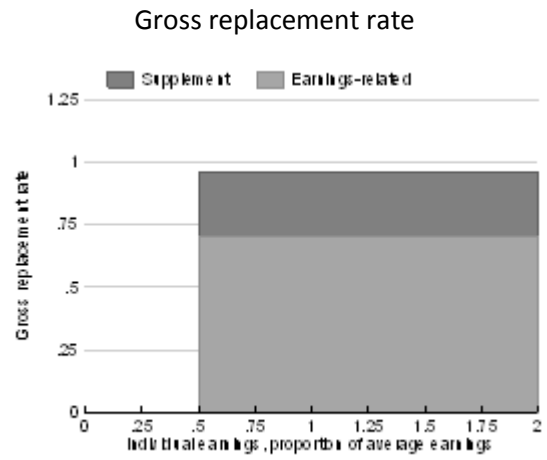
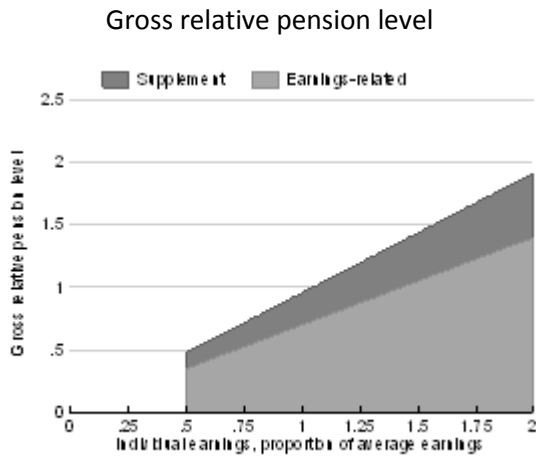
No special relief is available.

Social security contributions paid by pensioners

Pensioners pay contributions for health and the contribution rate is 4% of the main component of the earnings-related pension.

Pensioners also pay contributions, that correspond to old-age pension contributions, if they are employed (independently of whether they count, or not, their extra employment towards a new pension or a re-calculation of their pension).

Pension modelling results: Greece



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)	65.1	47.9	71.8	95.7	143.6	191.4
Net relative pension level (% net average earnings)	81.4	63.7	87.9	111.2	155.3	195.5
Gross replacement rate (% individual gross earnings)	95.7	95.7	95.7	95.7	95.7	95.7
Net replacement rate (% individual net earnings)	110.3	113.6	110.5	111.2	106.8	104.2
Gross pension wealth (multiple of average gross earnings)	15.2 17.4	15.2 17.4	15.2 17.4	15.2 17.4	15.2 17.4	15.2 17.4
Net pension wealth (multiple of average net earnings)	14.2 16.3	15.1 17.4	13.9 16.0	13.2 15.2	12.3 14.1	11.6 13.3