



**Pensions at a Glance  
2013**  
OECD and G20 Indicators

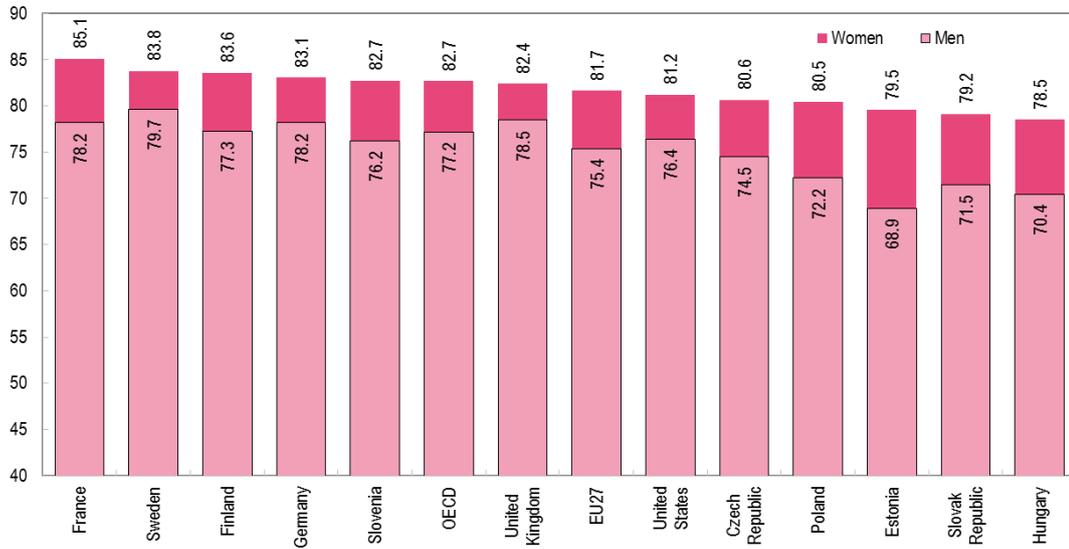
# ESTONIA

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- **Future gross replacement rates are lower than the OECD average.**
  - **While life expectancy is below the OECD average, especially for men, the population is projected to age at a fast pace.**
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**Future gross pension replacement rates are slightly lower than and well below the OECD average for average- and low-income earners, respectively.** A full-career low-income earner and average worker entering the labour market in 2012 can expect a total pension replacement rate of 65% and 52% upon retirement. This is lower than the OECD average, which equals 71% and 54%, respectively. The retirement age which is currently different for men and women will be equalised in 2016 at 63. From 2017 retirement age is set to increase further to reach 65 in 2026.

**Life expectancy for both men and women is low compared to many OECD countries.** For men, it is the lowest within the OECD at 68.9 years compared to the OECD average at 77.2 years. For women the outlook is not as grim, and the estimated life expectancy at birth is currently 79.7 years, compared with an OECD average of 82.7 years. Yet, population is ageing quickly mainly owing to low fertility rates. The old age support ratio (i.e. the number of people aged 20-64 relative to the number of persons ages 65 and above) is projected to decrease sharply from 3.4 in 2012 to 1.9 in 2060.

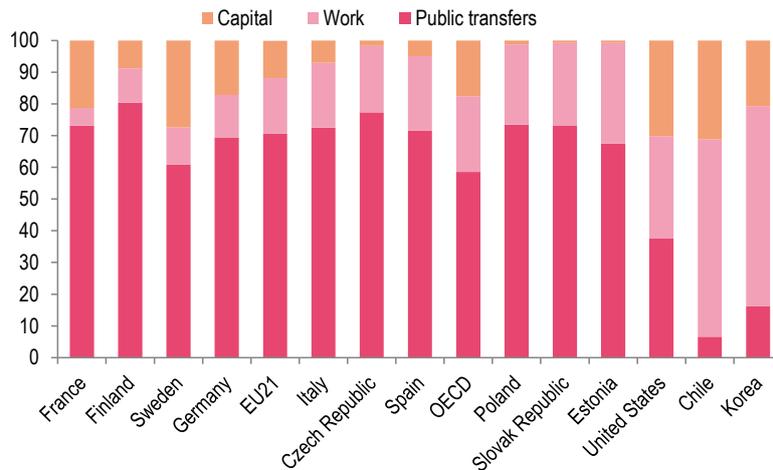
### Life expectancy at birth, in years, men and women, 2010-15



Source: OECD (2013), *Pensions at a Glance 2013*,

Incomes of the aged 65 and above equal to 74% of that of the total population on average, which is among the lowest in the OECD and well below the OECD average at 86%. The share of labour income in total income for the population aged 66 and over is high at around 32% of total income relative to 24% on average in the OECD. Unlike most other OECD countries, people leave the labour market well after the standard retirement age (63 years for men and 61 years for women), at around age 64 and 63 for men and women respectively.

### Sources of incomes of people aged 66 and above, late 2000s, percentage of gross household income



Source: OECD (2013), *Pensions at a Glance 2013*

## Key indicators

		Estonia	OECD
Gross replacement rate	Average earner (%)	52.2	54.4
	Low earner (%)	65.2	71.0
Public pension spending	% of GDP	7.9	7.8
Life expectancy	at birth	74.2	79.9
	at age 65	16.3	19.1
Population over age 65	% of working-age population	29.1	25.5
Average worker earnings (AW)	EUR	11 000	32 400

Note: replacement rate is pension entitlement from all mandatory sources of retirement income relative to individual earnings. Calculations are for a full-career worker entering the labour market in 2012. Low earner is assumed to earn 50% of the average.

Source: OECD (2013), *Pensions at a Glance: OECD and G20 Indicators*.

### Notes to editors:



#### *Pensions at a Glance 2013: OECD and G20 Indicators*

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The report includes pension indicators for the OECD member countries and G20 economies with 2012 pension rules and parameters. There are two special chapters on (i) distributional impact of reforms; (ii) future retirement income adequacy, the role of housing, financial wealth and publicly provided services.

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