REVISED TAXONOMY FOR PENSION PLANS, PENSION FUNDS AND PENSION ENTITIES

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The development of a taxonomy for pension systems is one of the key activities of the OECD Working Party on Private Pensions. It is necessary both for future data collection projects and policy discussions. This document revises the document DAFFE/AS/PEN/WD(2001)5/REV1 which was discussed during the meeting in December 2001. The final version of this taxonomy will also be submitted for comments and approval to the International Network of Pension Regulators and Supervisors (INPRS).

Background

In order to be useful for the purposes of the OECD Working Party on Private Pensions and the INPRS, a classification of pension systems (pension plans, pension funds and pension entities) must fulfil two basic critical conditions: (1) it must be consistent across the largest possible number of countries, covering as many specific cases as possible; (2) it must be based on descriptive criteria, and not on some prescriptive model of pension systems. Some of the current classifications, such as the three pillar, present some weaknesses in this respect, not least of which is the fact that different uses are made of the same terms (see Annex 3 for an example of the use of the term "pillars"). The overriding objective of a private pensions taxonomy would be to allow a comparative analysis of private pension systems around the world.

The approach followed in the development of the proposed taxonomy has been composed of two steps. First, the various criteria that can be used to classify pension systems were identified. This exercise necessitated the collection of information on the structure of the pension systems of individual countries. This information is contained in DAFFE/AS/PEN/WD(2000)12/ADD1/REV1. The second step was to group those criteria in order to create a classification for pension systems that as far as possible met the two conditions mentioned above.

Structure

The taxonomy is structured around three key terms (pension plans, pension funds and pension entities) and two main approaches (functional and institutional). Section 1 describes the criteria and the classifications for pension plans, section 2 does the same for pension funds, while section 3 does the same for pension entities.

Annex 1 applies the taxonomy for pension plans to OECD countries. Annex 2 explains the types of pension entities in a more detailed way. Annex 3 describes the methodology used to develop the taxonomy.

Section 1: Pension Plan Taxonomy

Pension plan

A pension (or retirement income) plan (arrangement or scheme) is a legally binding contract having an explicit retirement objective (or - in order to satisfy tax related conditions or contract provisions - the benefits can not be paid at all or without a significant penalty unless the beneficiary is older than a legally defined retirement age). This contract may be part of a broader employment contract, it may be set forth in the plan rules or documents, or it may be required by law. The elements of the pension
plan may be mandated by law or statute or set forth as pre-requisites for special tax treatment, as is the case for many tax qualified savings or retirement programme designed to provide the plan's members and beneficiaries with an income after retirement. In addition to having an explicit retirement objective, pension plans may offer additional benefits, such as disability, sickness, and survivors' benefits.

Public vs private pension plan

7. **Public pension plan:** social security and similar schemes where the general government (that is central, state, and local governments, including social security institutions) administers the payment of pension benefits. Their purpose is to provide minimum (flat or/and earnings-related) benefits on retirement for the population at large (or at least the formal sector). Public plans have been traditionally PAYG-financed, but some OECD countries have partial pre-funding of public pension liabilities or have replaced these plans by private pension plans.

8. **Private pension plan:** a pension plan where an institution other than general government administers the payment of pension benefits. Private pension plans are managed by the employer acting as the plan sponsor, a pension entity or a private sector provider. Private pension plans may be complements or substitutes to social security systems. In some countries, these may include plans for public sector workers. Private pension plans are funded in OECD countries.

Occupational vs personal pension plans

9. **Occupational pension plans:** access to such plans is linked to an employment relationship between the plan member and the entity that establishes the plan (the plan sponsor). Occupational plans may be established by employers or groups of employers (e.g. industry associations), sometimes in conjunction with labour associations (e.g. a trade union). Generally, the plan sponsor is responsible for making contributions to occupational pension plans, but employees may be also required to contribute. Sponsors may also have administrative or oversight responsibilities for these plans.

   • **Mandatory occupational plans:** participation in these plans is mandatory for employers. By law, nation-wide or industry-wide bargaining agreements, employers are obliged to participate in a pension plan. Employers must set up (and make contributions to) occupational pension plans which employees will normally be required to join. Where employers are obliged to offer an occupational pension plan (e.g industry-wide collective agreements with trade unions), but the employees’ membership is on a voluntary basis, these plans are also considered mandatory.

   • **Voluntary occupational plans:** the establishment of these plans is voluntary for employers (including those in which there is automatic enrolment as part of an employment contract or where the law requires employees to join plans set up on a voluntary basis by their employers). In some countries, employers can on a voluntary basis establish occupational plans that provide benefits that replace at least partly those of the social security system (e.g. Employee Pension Funds in Japan, contracted-out schemes in the United Kingdom). These plans are classified as voluntary, even though employers must continue sponsoring these plans in order to be exempted (at least partly) from social security contributions.

10. **Personal plans:** access to these plans is not linked to an employment relationship. That is, individuals independently purchase and select material aspects of the arrangements without intervention of their employers. The employer may nonetheless make contributions to personal pension plans. Some
personal plans may have restricted membership (e.g. to the self-employed, to members of a particular craft or trade association, to individuals who do not already belong to an occupational plan, etc).

- **Mandatory personal plans**: these are personal plans that individuals must join or which are eligible to receive mandatory pension contributions. Individuals may be required to make pension contributions to a pension plan of their choice - normally within a certain range of choices - or to a specific pension plan.

- **Voluntary personal plans**: participation in these plans is voluntary for individuals. By law individuals are not obliged to participate in a pension plan. They are not required to make pension contributions to a pension plan. In some countries personal plans become mandatory when they provide benefits that replace those of the social security system (e.g. United Kingdom).

**Defined benefit vs defined contribution plans**

11. **Defined benefit (DB) plan**: any pension plan other than a defined contribution plan, including all plans in which the financial or longevity risk are borne by the plan sponsor. Benefits to members are typically based on a formula linked to members' wages or salaries and length of employment.

12. **Defined contribution (DC) plan**: a pension plan by which benefits to members are based solely on the amount contributed to the plan by the sponsor or member plus the investment return thereon. This does not include plans in which the employer that sponsors the plan guarantees a rate of return.

(Note: the vast majority of personal pension plans are defined contribution. There are some DB personal plans, such as plans set up by the self-employed that target a specific replacement rate)

**Funded vs unfunded pension plans**

13. **Funded pension plans**: pension plans that have accumulated dedicated assets (may be identified reserves in the plan sponsor's balance sheet or/and segregated assets) to pay for the pension benefits. The way in which funding levels are measured varies from country to country.
14. **Unfunded pension plans:** are those that are financed directly from contributions from the plan sponsor or provider and/or the plan participant. Unfunded pension plans are said to be paid on a current disbursement method (also known as the pay-as-you-go, PAYG, method). Unfunded plans may still have associated reserves used to cover immediate expenses.
Section 2: Pension Fund Taxonomy

Pension fund

15. **Pension funds**: the pool of assets, including employer's assets in the case of some occupational plans, that are bought with the contributions to a pension plan or that are assigned by law or contract as pension plan assets.

Autonomous pension funds, non-autonomous pension funds and insured pensions

16. **Autonomous pension fund**: in occupational plans, a pension fund that is legally separated from the plan sponsor taking the form of either a special purpose legal entity (a pension entity) or a separate account managed by financial institutions on behalf of the plan/fund members. Pension funds that support personal pension plans are by definition autonomous. Both in occupational and personal pension plans, the plan/fund members have a legal or beneficial right or some other contractual claim against the assets held in the autonomous pension fund.

17. **Non-autonomous pension funds**: in occupational plans, a pension fund that is not legally separated from the plan sponsor. The pension assets may form a reserve in the plan sponsor's balance sheet ("book reserves") or they may be held in legally separated vehicles but are the property of the plan sponsor ("financial reserves"). Pension plan members have no legal claim on the pension fund assets.

18. **Insured pensions**: in occupational and personal plans, a pension that consists exclusively of insurance products. This excludes cases where an insurance company acts as the administrator of an occupational or personal plan managing the pension assets through a separate account on behalf of the plan/fund members (the assets in the separate account would be considered as an autonomous pension fund).

Collective and group pension funds vs individual pension funds

19. **Collective pension funds**: funds that pool the assets of pension plans of different plan sponsors. There are two types of collective pension funds: a) for related employers i.e. companies who are financially connected with the pension fund and who participate in a joint plan for members of a single group; b) for unrelated employers who are involved in the same trade or business.

20. **Group pension funds**: a pension fund that comprises the assets of unconnected individuals and/or companies in the same pension plan.

21. **Related member funds**: a pension fund that comprises the assets of a limited number of related members who are all in the governing body of the pension fund.

22. **Individual pension funds**: a pension fund that comprises the assets of a single member and his/her beneficiaries, usually in the form of an individual account.
**Open vs closed pension funds**

23. *Open pension funds*: funds that support at least one plan with no restriction on membership (collective membership may be possible, however).

24. *Closed pension funds*: funds that support only pension plans that are limited to certain employees (e.g. those of an employer or group of employers).

**Section 3: Pension Entity Taxonomy**

**Pension entity**

25. *Pension entity*: a special-purpose legal entity, such as a trust, foundation, or a corporate entity that owns and may also control the pension fund on behalf of the pension plan/fund members. Plan members may have either a legal or a beneficial ownership right over the pension fund, or a contractual claim against the special purpose entity with respect to their rights to the pension fund assets.

**Public vs private pension entity**

26. *Public pension entity*: a pension entity that is regulated under public sector law.

27. *Private pension entity*: a pension entity that is regulated under private sector law.

**Private pension plan classification: institutional perspective**

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Private pension plan

├── Funded
│   ├── Insured pensions
│   └── Autonomous pension fund

├── Unfunded / PAYG
│   ├── Non-autonomous pension fund
│   └── Separate account

└── Trust/foundation
    └── Corporate entity
        └── Dedicated provider
            └── Other financial institution
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ANNEX 1: APPLICATION OF THE OECD PENSION PLAN TAXONOMY TO MEMBER COUNTRIES

28. In order to clarify the definitions developed above and to determine its suitability for a worldwide taxonomy, the classifications are applied to pension plans in selected OECD countries. All private pension plans described, except occupational plans in France are funded. The plans are listed in bullet points. Plans that are substitutes for each other are listed under the same bullet point. Where relevant, the name of the plan in the country has been included in brackets.

Australia

- Social security
- Occupational, mandatory plans
  - Occupational, voluntary plans
  - Personal, mandatory plans
  - Personal, voluntary plans

Austria

- Social security
- Occupational, voluntary plans
- Personal, voluntary plans

Belgium

- Social security
- Occupational, voluntary plans
- Personal, voluntary plans

Canada

- Social security (OAS, CPP, and QPP)
- Occupational, voluntary plans (Registered retirement plans)

**Czech Republic**
- Social security
- Personal, voluntary plans

**Denmark**
- Social security
- Occupational, mandatory plans (collective bargaining agreements)
- Personal, voluntary plans

**Finland**
- Social security
- Occupational, mandatory plans (under social security system)
- Occupational, voluntary plans
- Personal, voluntary plans

**France**
- Social security
- Occupational, mandatory plan (ARRCO and AGIRC)
- Occupational voluntary plan
- Personal voluntary plan (life insurance)

**Germany**
- Social security
- Occupational, mandatory plans
- Occupational, voluntary plans
- Personal, voluntary plans
Greece

- Social security
- Occupational, voluntary plans
- Personal, voluntary plans

Hungary

- Social security
- Occupational, mandatory plans, or
  - Personal, mandatory plans
- Occupational, voluntary plans
- Personal, voluntary plans

Iceland

- Social security
- Occupational, mandatory plans
- Personal, voluntary plans

Ireland

- Social security
- Occupational, voluntary plans
- Personal, voluntary plans

Italy

- Social security
- Occupational, voluntary plans
- Personal, voluntary plans
Japan
- Social security (Basic Pension)
- Social security (Employer's Pension Insurance)
- Occupational voluntary plan (EPF, TQP, etc)
- Personal voluntary plans

Korea
- Social security
- Personal, voluntary plans

Luxembourg
- Social security
- Occupational, voluntary plans
- Personal, voluntary plans

Netherlands
- Social security
- Occupational, voluntary plans (some industry-wide plans are mandatory)
- Personal, voluntary plans

New Zealand
- Social security
- Occupational, voluntary plans
- Personal, voluntary plans
Norway

- Social security
- Occupational, voluntary plans
- Personal, voluntary plans

Poland

- Social security
- Personal, mandatory plans
- Occupational, voluntary plans
- Personal, voluntary plans

Portugal

- Social security
- Occupational, voluntary plans
- Personal, voluntary plans

Slovak Republic

- Social security
- Occupational, voluntary plans
- Personal, voluntary plans

Spain

- Social security
- Occupational, voluntary plans
- Personal, voluntary plans
Sweden

- Social security
- Occupational, mandatory plans
- Personal, voluntary plans

Switzerland

- Social security (basic pension)
- Occupational, mandatory plan (under social security)
- Personal, voluntary plan

Turkey

- Social security
- Occupational, voluntary plans
- Personal, voluntary plans

United Kingdom

- Social security (basic pension)
- Social security (State Second Pension), or
  - Occupational, mandatory plan (contracted-out plans), or
  - Personal, mandatory plan (appropriate personal plans)
- Occupational, voluntary plans
- Personal, voluntary plans
United States

- Social security
- Occupational, voluntary plans (including 401(k) plans)
- Personal, voluntary plans (including IRAs)
ANNEX 2: INCIDENCE AND FORM OF PENSION ENTITIES IN OECD COUNTRIES

29. Pension entities can take many legal forms. The two main forms are the trust/foundation and the corporate form. In the trust/foundation case, the pension plan members may have beneficial ownership rights over the pension fund or some other contractual claim against the pension entity, but the legal title (and often control) is vested on the trustee or the board of the foundation, who is expected to manage the fund in the best interest of the plan members. In contrast, in the corporate form, pension plan members have legal ownership rights over the pension fund via their ownership of a certain number of shares in the pension entity that owns those assets. The corporate form is used for defined contribution plans in Hungary and Mexico. When used for defined benefit plans, such entities are often treated as a type of insurance company.

30. While the pension entity is responsible for "owning" the pension assets, it may not necessarily be also responsible for investing those assets. In Australia, Ireland, the United Kingdom, and New Zealand, the trustee has responsibility over all aspects of the administration of a pension plan. In Canada and the United States, on the other hand, trustees' role may be relegated to simply holding the title to the assets. Other fiduciaries may retain or be delegated responsibility over the management of the pension fund. The foundation form is found in some OECD countries such as the Netherlands and Switzerland. The legal structure is similar to that of the trust. In the corporate form, the role of the pension entity may also be limited to "owning" the assets. In Mexico, for example, the pension entity takes a corporate form, but the assets are managed by a legally separate, dedicated financial institution.

31. Pension entities are useful legal vehicles in occupational pension plans, as a channel to separate the assets from the plan sponsor, without severing the operational link between the sponsor and the fund. In many OECD countries, the sponsor has traditionally played a key role in the day-to-day management of pension funds by providing experienced staff from the company and hiring externals professionals.

32. Pension entities are also used in personal pension plans in order to facilitate regulation by the tax authorities. The Individual Retirement Accounts (IRAs) in the United States, for example, must be set up as trusts.

33. The main alternative to establishing an autonomous pension fund instead of setting up a pension entity is to deposit the pool of assets in a separate account managed by a financial company on behalf of the plan/fund members. Only certain financial institutions are authorised to offer such contracts (banks and insurance companies in Japan, insurance companies in Portugal and the United States -where they are called deposit administration contracts-, banks in Spain and specialised financial institutions in the Czech Republic and Poland).
34. Creating a taxonomy of private pension systems is a critical step for the data collection process that will be developed in the framework of the programme of work of the Working Party, through the International Network of Pension Regulators and Supervisors (INPRS). This document highlights some problems of existing classifications and then proposes what may be considered a more constructive approach. The alternative approach is based on a bottom-up strategy: it starts with a set of criteria that can be used to classify pension systems across all countries, and only then identifies those criteria which would be most suitable for a basic taxonomy of private pension plans.

Section 1. Global taxonomies

35. There have been many attempts at creating a simple and comprehensive classification for pension systems which encompasses the main defining aspects of these plans. There have been many hurdles in this process, since pension systems can differ so enormously across countries. Cultural, legal, social, and economic factors all play a role in determining the precise structure and operation of a pension system. The following is a non-exhaustive list of some of these attempts at providing a classification that cuts across all these differences.

The multi-pillar approach

36. The document “Maintaining Prosperity in an Ageing Society” established a distinction between three pillars or types of pension arrangements in a pension system. This provides a first form of classification of pension plans:

- First pillar: publicly managed pension schemes with defined benefits and pay-as-you-go finance, usually based on a payroll tax.
- Second pillar: privately managed pension schemes which are provided as part of an employment contract.
- Third pillar: personal pension plans in the form of saving and annuity schemes.

37. This classification has now become rather extended through OECD countries, and has been adopted also by the European Commission. However, the OECD Secretariat has recently been revising this classification, because it can hide more than it can reveal in cross-country, as well as in cross-household comparisons of retirement income.

38. The difference between pillars is rather blurred in many countries. There are countries where government-mandated pension plans are provided through employers and occupational groups (as in Australia, Iceland, and Switzerland), or through financial companies (as in Hungary and Mexico). There are also countries with a long history collective-bargaining where provision is agreed as part of collective agreements (as in the Netherlands and Sweden).

39. There are also products, mainly in Anglo-Saxon countries that cannot be placed immediately in either the second or third pillars. In the United States, for example, Keogh and 401K plans can be classified in either the second or third pillars, depending on the observer. Finally, there are financial products that are used for retirement but do not have many of the characteristics of traditional third pillar products.
40. The use of the term pillar, moreover, has raised some problems because other international organisations, such as the World Bank and the ILO also use a similar terminology, but divide the pillars in different ways. The World Bank's pension model is usually interpreted as consisting of the following three pillars:

- First pillar: a relatively small, publicly managed, pay-as-you-go, defined benefit pillar;
- Second pillar: a privately managed, mandatory, (defined contribution), pillar;
- Third pillar: voluntary, individual account, privately managed pillar

41. The ILO suggests what it calls a three-tier pension system, involving workers and employers, both as contributors and in the broad direction of the schemes:

- A minimum anti-poverty pension, universally available but means tested, possibly financed directly from general revenues and indexed;
- A mandatory public PAYG social insurance pension which would provide a reasonable replacement rate. It would be fully indexed against inflation. And it would be subject to a ceiling;
- A fully funded defined contribution scheme, perhaps privately managed, which would supplement the public scheme. This would include occupational as well as individual schemes. Their operation would need to be closely monitored and regulated.

42. These classifications are probably more controversial than the original OECD one, because they propose a model to be attained, rather than serving solely a taxonomy purpose. Moreover, they make no reference to employer and occupational pension plans, which play such an important role in OECD countries. Recently, the World Bank has also been considering a taxonomy that encompasses alternative arrangements, such as those organised at an occupational level.

43. Considering these problems, also acknowledged by DEELSA, it is recommended that a new global classification is developed. The new classification must fulfil two critical conditions: (1) it must be consistent across the largest possible number of countries; (2) it must be based on descriptive terminology, and not on some prescriptive model. Some of the criteria underlying these three-pillar classifications, such as the difference between mandatory and voluntary membership, and between occupational and personal pension plans, do seem to capture some aspects of the diversity of pension systems. However, it is important to further evaluate all criteria that may add value to a taxonomy of private pension systems. These criteria are further developed in Sections 2 and 3.

*Private vs public pension systems*

44. Another classification that has lead to controversy is that between public and private pension systems. The term “private” can refer to at least six different aspects of a pension plan:

- Plan affiliates: plans for private sector workers would be included.

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1 Gillion, C. (1999), The ILO and Pensions, Social Security Department, ILO: Geneva,
• Institutions managing the plans or their related pension funds: plans or pension funds managed by private sector institutions would be included.

• Control of financial flows: plans whose relevant financial flows (contributions or social benefits) are not controlled by general government would be included. This definition is used by DEELSA\(^3\).

• Investment regime: funded plans whose assets are invested in private sector securities would be included.

• Regulation: plans subject to private, commercial law and regulations would be included. This definition has been used for the preparation of the OECD Capital Movements Code in relation to portfolio investment abroad by insurance companies and pension funds (DAFFE/INV(2000)20).

• Liability: plans where the liability for the management of the fund or/and for any guarantees offered by the pension plan lie on a private sector institution (employer, financial company, trust, foundation, or other).

45. The OECD Working Party on Private Pensions deals with all these different aspects of private plans and has not as yet come up with a precise definition of the term private pensions. In fact, it is this broad perspective which ensures the operationality of its work. This is all the more necessary because many pension plans that may be deemed public by any one classification may actually lie within the competence of regulatory authorities. Hence the scope of the work of the Working Party is larger than the definition of private pension plans in the stricter sense. In order to ensure the smooth running of its monitoring role of private pension arrangements, however, it is important to reach a consensus on a suitable taxonomy for these plans.

46. However, drawing the line between public and private pensions at each of these five levels is not always easy. In particular, the issue of plan management is open to different interpretations. For example, in some countries account management is done by a public agency but asset management is outsourced to private financial companies and members can choose between different funds (e.g. the Thrift Savings Plan of federal employees in the USA).

47. The classification according to regulatory competence may be relevant from the perspective of some OECD countries. However, it can lead to an erroneous classification of some plans into the private category when only one of the plan’s services (e.g. asset management) is subject to private sector regulation.

48. The classification according to the holding of the liability can be a useful one, and in many instances will coincide with that of control of flows. However, there can be cases where a plan is fully privately managed but the state guarantees some minimum return. Under these classifications, these plans would come under the public category.

Fund vs PAYG financed pension systems

49. This classification is used by DAFFE and its various Committees and related Working Parties (Committee on Financial Markets, Insurance Committee, Working Party on Financial Statistics, Working Party on Private Pensions). The difference between funded and PAYG plans is also made by the System of National Accounts (SNA) and was further developed in “Private Pension Systems: Regulatory Policies”, Working Paper AWP 2.2.

50. In order for pension plans to be funded there has to be a pool of assets, either in form of financial, real estate, reserves, or other assets that are used for providing pension benefits. Private pension plans are funded in most countries of the Network, the main exception being France.

51. The distinction between funded and PAYG schemes appears to be free of controversy. The only additional issue that may be considered is that plans may be only partly funded. This is the case of some social security systems of some countries in the Network (e.g. Canada, Ireland, Sweden, and the United States).

The definition of pension systems

52. In addition to these broad classifications, the taxonomy exercise must propose a definition for the “term” pension itself. However, it is not always clear to what extent certain forms of individual savings are used for retirement purposes. This issue will be dealt with extensively by the Task Force on Personal Pension Plans, which will consider the responses to the questionnaire on the definition of personal pension plans and the “third pillar” [DAFFE/AS/PEN/WD(99)7]. The separation between pension plans and other forms of savings can in fact be carried out from different perspectives, such as the purpose of the savings and their tax treatment, as is shown below.

Section 2. Main aspects of pension schemes

53. A methodology for analysing pension plans needs to be developed which is compatible with regulatory frameworks across countries. There are two basic perspectives that can be used to classify pension systems, the perspective of the provider and the perspective of the user. These two perspectives are comparable to the institutional and functional perspective that are referred to in the regulation.

54. Under these perspectives five basic criteria for classifying pension systems may be suggested:

1. Retirement purpose: benefit / account balance liquidity

55. Is there a minimum retirement age before which benefits from the pension plan cannot be received? Can benefits or the accumulated balance be at least partly consumed before retirement? Are there any penalties for doing so? Can an employee leaving a company cash-out partially or wholly the accumulated balance or benefit rights? What is the treatment of unvested contributions?

2. Funding and risk bearing

56. Is the scheme funded? Are there any financial or biometric guarantees or is the scheme a pure defined contribution one? Who bears risks? If employers bear risks, are they required to reinsure these
risks? Who bears liability for the management of funds or any guarantees offered by the plan, a public or private institution? What forms of benefit payment are permitted? Can benefits be paid as a lump-sum?

3. Administration of funded pension plans and funding vehicle

57. Is there legal separation of the fund or is the scheme a book reserve one? What is the specific financing vehicle (e.g. pension fund, insurance contract)? Who manages this vehicle (pension fund as an independent legal entity, insurance company, investment company, pension fund management company)? Can / must different functions (e.g. account and asset management, benefit payment) be outsourced / delegated to third parties? What are the eligible institutions?

4. Eligibility and participation

58. Do employers and professional associations play any role in the design of the pension plan, or is their role, if any, limited exclusively to contribute to the plan chosen by the employee? Are employers required to set up and sponsor pension plans? Are employees required to join these plans? Are there any specific financial instruments that employees and employers must use in order to save for retirement? Are employees required to sign personal pension plans, or is this done on a voluntary basis?

5. Tax treatment

59. What is the tax treatment of contributions, earnings and benefits?

60. Some issues are not treated for purpose of simplicity which may be important when building a comprehensive taxonomy. However, these do not alter the general structure proposed. One of the main criteria ignored is the type of risks covered. Many plans cover many other risks in addition to old-age pensions including, survivor’s, disability, sickness, maternity, adoption, and unemployment benefits. Another important characteristic of pension plans is the extent to which benefits are indexed to some measure of the standard of living. A more comprehensive survey should determine to what extent coverage for these risks is provided as part of the pension plan.