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**STATISTICS DIRECTORATE  
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**Working Party on National Accounts**

**Proposal for the collection of data on pensions from non-European members of the OECD**

**Joint meeting WPNA & WPFS**

**To be held on 7-8 November 2017  
OECD Conference Centre  
Beginning at 11:15 am on the first day**

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**JT03421357**

## *Proposal for the collection of data on pensions from non-European members of the OECD*

### **1. Introduction**

1. There is a considerable interest in data on pensions, especially related to concerns about the solvency of pension systems, and policy issues regarding generational equity in ageing societies.
2. The recording of pension schemes has changed significantly in the 2008 SNA, following the recommendation of the Advisory Expert Group (AEG) on National Accounts to recognise the pension liabilities for all employment-related pension schemes, including unfunded ones, and any associated assets and transactions. Furthermore, due to the difficulties for some countries in drawing the line between employment-related pension schemes and social security schemes, the AEG stressed the importance to develop criteria that would distinguish between these types of schemes.
3. As there was no clear set of criteria for the recognition of pension liabilities in the case of intertwined schemes, the 2008 SNA provides some flexibility in recording these liabilities, thus allowing countries not to report the relevant liabilities in the central framework of national accounts, and to only include them, together with the implicit liabilities for social security schemes, in a supplementary table, until criteria are developed to distinguish between the various types of schemes. This supplementary table (2008 SNA, table 17.10), which is the result of an international compromise, includes all social insurance pension liabilities: both the liabilities which are recognised in the central framework of national accounts, and those which are not recognised in the central framework.
4. Eurostat will collect, starting in December 2017, from its member countries a pension table (Table 2900), which is based on SNA Table 17.10. The Eurostat table will provide an overview of pension obligations (of general government and other sectors) vis-à-vis households covering all pension schemes in social insurance. Results will be published in February 2018.
5. The OECD proposes in this paper to collect pension data from non-European countries by using an adjusted SNA Table 17.10, which is close to Eurostat Table 2900. It is also proposed to apply, to the extent possible, the same key assumptions as those requested from European countries, in order to facilitate international comparisons. Furthermore, the OECD would like to discuss the possibility of collecting additional information to obtain more insight in resources that households have accrued with regard to their retirement.
6. The present paper is structured as follows. Chapter 2 describes the current SNA Table 17.10, and includes defined benefit schemes' key assumptions pertaining to the discount rate, the wage growth and demography. Chapter 3 sets out the OECD proposal for a pension data collection from non-EU countries, and presents the adjusted SNA

Table 17.10. This chapter also includes questions addressing some of the main challenges. Subsequently, Chapter 4 highlights the benefits of a related table on household resources for retirement, which includes information from the adjusted Table 17.10. The paper ends with some concluding remarks in Chapter 5.

## 2. Description of the SNA Table 17.10

7. The international statistical standards, 2008 SNA and ESA 2010, were updated to bring the accounts in line with the new economic and social environment and user needs. One key improvement of these revised standards is the enhanced reporting on pensions. Unlike the ESA 1995 and the 1993 SNA standards, which only recognised and recorded pension obligations on the balance sheet for funded “private” schemes, the updated standards recognise the pension liabilities of all employment-related pension schemes including unfunded ones. However, because of some ambiguity in the recording of the pension obligations of employment-related schemes that are intertwined with social security, and the resulting lack of international comparability due to diverging practices across countries, it was decided to include a supplementary table on pension entitlements (2008 SNA, Table 17.10 or ESA 2010, Table 29). This table requires comprehensive information on all pension schemes in social insurance, including intertwined schemes and social security pensions.

### 2.1. Overview of the structure of SNA table 17.10 (columns and rows)

8. The supplementary table on pension entitlements will provide a powerful tool for the analysis of pension liabilities across countries, as it shows all positions and flows of pension obligations for all different types of social insurance pension schemes in an economy. In line with the 2008 SNA, the pension liabilities show the amount of entitlements earned by the current workforce and current pensioners by the end of the reporting period. This corresponds to the closed group approach (future entrants are not considered) without future accrual (future contributions are not considered). As households are the main counterpart for these liabilities, the table will also provide more insight in household pension wealth. However, it has to be borne in mind that the entitlements of resident households will not perfectly match the liabilities of domestic pension schemes due to flows and positions vis-à-vis the rest of the world. To arrive at social insurance pension entitlements of resident households, one would need to correct for the part of the liabilities that relate to non-residents and for entitlements that residents have accrued abroad (see Chapter 3).

9. Annex 1 provides an overview of Table 17.10 of the 2008 SNA. As the original table contained a few small errors, some minor modifications have been made. These are highlighted in the table and will be explained below. The 2008 SNA<sup>1</sup> provides a

<sup>1</sup> <https://unstats.un.org/unsd/nationalaccount/docs/SNA2008.pdf>

description of this table in Chapter 17, part 2 on social insurance schemes, which is used for the description below.

### Description of columns

10. Table 17.10 distinguishes pension schemes by four criteria:

- by type of recording: positions and flows of pension schemes recorded in the central framework of national accounts (columns A to F), and positions and flows of pension schemes recorded only in the supplementary table (columns G and H).
- by type of pension manager: non-general government (columns A to C) and general government pension schemes (columns D to H).
- by type of benefit formula: defined contribution schemes (columns A and D), and defined benefit schemes (columns B and E to H).
- by type of pension scheme for defined benefit government schemes: employment-related schemes (columns E to G) and social security pension schemes (column H).

11. Column I sums up all social insurance pension liabilities of resident pension schemes acquired or held by resident and non-resident households<sup>2</sup>. Column J indicates the part that relates to non-resident households<sup>3</sup>. In ESA Table 29, another column has been added to collect information on the part that relates to the total entitlements of resident households, which will also be included in the OECD proposal as explained in Chapter 3.

### Description of main rows

12. The rows in Table 17.10 contain a full reconciliation between the opening stock of pension liabilities/entitlements at the beginning of the recording period and the closing stock at the end of the recording period. All transactions and other economic flows, which lead to changes in the opening and closing stock within a given period, are taken into account. Rows of Table 17.10 can be grouped as follows:

- Opening stock of entitlements (row 1).
- Net social contributions relating to pension schemes received (row 2) compiled as sum of the contributions (rows 2.1 to 2.4) minus the service charges<sup>4</sup> (row 2.5).

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<sup>2</sup> The term that was used in Table 17.10 in the 2008 SNA has been slightly changed here to specify that it concerns total social insurance pension liabilities of domestic pension schemes.

<sup>3</sup> Please note that the original Table 17.10 mentions ‘pension entitlements of resident households’. However, from the explanation in paragraph 17.199 it can be derived that this column should refer to entitlements of non-residents.

<sup>4</sup> This item has been added following a proposal presented at the 2013 meeting of the AEG. As the contributions in the original version of Table 17.10 were recorded on a gross basis, (i.e. without deduction of the service charges), this item needed to be included to arrive at net social contributions which add to the pension entitlements (row 2). As a consequence, the item “output”

- Other actuarial changes (only relating to social security) (row 3).
- Pension benefits paid (row 4).
- Adjustment for the change in pension entitlements (row 5), compiled as sum of net social contributions (row 2) and other actuarial changes (row 3) minus pension benefits (row 4).
- Changes in entitlements due to transfers of entitlements (row 6) or negotiated changes in scheme structure (row 7).
- Changes in pension entitlements due to other economic flows (revaluation and other changes in volume – rows 8 and 9).
- Closing stock of entitlements (row 10).
- Related indicator: assets held by pension schemes at the end of the year. Please note that this indicator is not requested in the ESA Table 29.

## 2.2. Defined benefit schemes key assumptions (Columns B, E, F, G and H in Table 17.10)

13. The value of entitlements is derived differently for defined benefit and defined contribution<sup>5</sup> schemes. For the latter, the entitlements depend on the performance of the financial assets that are acquired with the pension contributions, as a consequence of which the value of the entitlements is equal to market value of the financial assets held by the pension fund. For defined benefit schemes, on the other hand, the amounts of the future benefits have been agreed upon in advance, as a consequence of which their entitlements have to be derived on the basis of an actuarial estimation. This section discusses the main assumptions that are needed to arrive at these estimates.

14. As defined in the paragraph 17.129 of the 2008 SNA, a defined benefit (DB) scheme is one where the benefits payable to an employee on retirement are determined by the use of a formula. Unlike defined contribution schemes, the risk of a DB scheme to provide an adequate income in retirement is borne either by the employer or is shared between the employer and the employee.

15. Actuarial estimation methods, based on the concept of net present value, are used to calculate positions in pension entitlements for these pension schemes. For pension schemes managed by private units, pension data are usually available and based on business accounting or supervisory data sources. Regarding defined benefit schemes for general government employees and for social security, such data may not always be available and their estimations may need to be based on a number of assumptions, as applied in actuarial estimation procedures. The statistical measure of defined benefit

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under ‘related indicators’ at the bottom of the table has been removed as it would lead to redundant information.

<sup>5</sup> A defined contribution scheme is one where the benefits payable to an employee on retirement are defined exclusively in terms of the level of the fund built up from the contributions made over the employee’s working life and the increases in value that result from the investment of these funds by the manager of the scheme. The entire risk of the scheme to provide an adequate income in retirement is thus borne by the employee.

pension entitlements requires three key assumptions, which may have a significant impact on the level of future pension liabilities. These key assumptions concern the discount rate, the wage growth and demographic data.

### Discount rate

16. A suitable discount rate has to be chosen since pension entitlements are calculated in present value terms, which means that they reflect the discounted sum of present and future flows compared to a certain base year. The choice of the discount rate is one of the most important assumptions to be made in modelling pension entitlements, since its accumulated impact over many decades can be very large.

17. According to the International Public Sector Accounting Standards (IPSAS 25)<sup>6</sup>, the discount rate reflects the estimated timing of benefit payments. In practice, an entity often achieves this by applying a single weighted average discount rate that reflects the estimated timing and amounts of benefit payments and the currency in which the benefits are to be paid. An entity should assess whether the discount rate is best approximated by reference to market yields at the reporting date on government bonds, high quality corporate bonds or by another financial instrument. This may differ across countries.

18. As different countries may base their discount rate on market yields of different types of assets, and as these yields (even for same types of assets) may vary across countries<sup>7</sup>, countries are likely to end up with slightly different discount rates. In that sense, it is deemed important that countries select the most appropriate discount rates in line with the accounting standards to end up at comparable data across pension schemes and across countries.

### Wage growth

19. Defined benefit schemes apply a formula to the member's salary (final salary, an average over a period of years, or lifetime earnings) to determine the level of the initial pension. As a consequence, the latter depends significantly on expected future wage growth due to promotions/career path and general economic growth.

20. The accounting profession considers two approaches on the treatment of future wage increases.

- The **Accrued Benefit Obligation** (ABO) approach, which assumes that there is no future wage growth (whether nominal or real);
- The **Projected Benefit Obligation** (PBO) approach, which makes an explicit non-zero assumption for future wage growth and, therefore, takes into account expected promotions and other real or nominal wage growth factors.

21. Paragraph 17.181 of the 2008 SNA states that the ABO records only the benefits actually accrued to date. It represents the amount the employee could walk away with if

<sup>6</sup> <https://www.ifac.org/system/files/publications/files/ipsas-25-employee.pdf>

<sup>7</sup> Furthermore, differences in estimated timing of benefits payments may also give rise to differences in discount rates, also across pension schemes within a country.

he left the firm tomorrow. The PBO is a more prudent measure of what the eventual level of entitlement is likely to be. For an individual, the PBO makes assumptions about how many future promotions the person is likely to receive and calculates his final salary accordingly. An adjustment is also made to consider the number of years effectively worked by the employee. PBO is always higher than ABO until the moment of retirement when the ABO catches up with the PBO. ABO increases in steps as the employee is promoted, while the PBO increases steadily over time.

22. The choice between the two concepts may have a significant impact on the level of pension entitlements. To ensure comparability of results across pension schemes and also across countries, clear guidelines have to be applied to choose between the two approaches.

### Demographic assumptions

23. Future pension payments are also dependent on future demographic developments, in terms of age/gender balance of members and their longevity, future fertility rates and migration rates.

24. **Life expectancy** determines the expected number of years the pension annuity has to be paid out. Therefore, pension entitlements vary according to the use of different life expectancies. Furthermore, since mortality rates differ widely between men and women, a gender-specific differentiation of mortality data is necessary. Life expectancies are calculated on the basis of mortality tables established for the modelling of pension and life insurance schemes. In the case of private employer and government pension schemes, demographic data should in principle be accessible.

25. **Future fertility rates** may play a role in estimating entitlements for an orphan's pension. The right to these benefits is accrued today by present contributors to the pension scheme. When a contributor dies, their dependent children – already born or not at present – will generally receive an orphan's pension. A higher fertility rate will lead to a higher number of children receiving an orphan's pension.

26. **Migration** is another factor that may influence the estimation of pension entitlements. In some countries, individual pension levels may change if contributors migrate.

27. Other assumptions on inflation, (un)employment rate and future prevalence rates for disability can also impact the calculation of pension entitlements. If future flows are to be projected in nominal terms, the discount rate and the wage growth should include future inflation expectations.

## 3. Collecting data from non-EU countries

28. Ageing population is a concern in many regions of the world and governments are taking measures to preserve pension systems in these complex economic and demographic circumstances. For that reason, information on pension liabilities is usually

readily available at the country level. Because of the importance of obtaining a better overview of the financial situation of pension schemes, the international statistical community is very interested to collect this information and to present it in a coherent way, facilitating cross-country comparisons.

29. As Eurostat will collect information on pension entitlements related to social insurance schemes<sup>8</sup> from their members by the 31st of December 2017, the OECD Secretariat proposes to collect this information from non-European countries by completing an adjusted SNA Table 17.10, as presented in Annex 2.

30. This adjusted table is an extension of SNA table 17.10 as presented in the previous chapter as it incorporates three additional columns to be able to derive total social insurance pension entitlements of resident households:

- Counterpart entitlements of resident households (new column J)<sup>9</sup>.
- Social insurance pension entitlements of resident households in the rest of the world (new column L).
- Total social insurance pension entitlements of resident households (new column M = J + L).

31. Due to the inclusion of an ‘of which’ column J for the domestic pension liabilities which concern counterpart entitlements of resident households, the previous column J in the original 2008 SNA Table 17.10 is renamed into ‘counterpart entitlements of non-resident households’ and is now covered in column K (column K = I – J).

32. Concerning the rows of this adjusted table, under ‘related indicators’ at the bottom of the table, the item “discount rate” has been added. This is deemed relevant as it can vary across pension schemes.

33. As some of the information presented in this adjusted table has not yet been part of any data collection, the OECD Secretariat would like to raise some questions to check the feasibility of countries to complete this table.

34. The first question relates to the calculation of data with regard to social security pension schemes (column H). Although some of the information is already included in the central framework (such as information on contributions and benefits), this is not the case for the level of entitlements and some of the other flows that affect the entitlements. The OECD Secretariat wonders whether non-EU countries are able to compile all the relevant information for this column.

***Question 1. Can non-EU countries provide data for social security schemes?***

35. As discussed in Section 2.2, a number of key assumptions (discount rate, wage growth and demography) is needed for the estimation of the entitlements related to defined benefit schemes (columns B and E to H in the adjusted table). In this respect, the OECD would like to know what guidance should be given for determining the appropriate discount rate, in order to obtain comparable pension results across countries. A first option would be to provide guidance for the selection of the most appropriate

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<sup>8</sup> ESA2010, Table 29.

<sup>9</sup> This column is also available in the ESA Table 29 of the European data collection on pensions.

market yields per country, e.g. to relate it to the market yield on government bonds, high quality corporate bonds or other financial instruments. This would give rise to different discount rates across countries but would lead to comparable pension results across countries from an economic point of view, as every country will select the most appropriate rate.

36. A second option would be to harmonise the discount rates internationally, so that every country applies the same rate. The benefit of this option is that it makes sure that all data is derived on the basis of the same discount rate. However, the downside is that it is questionable whether it provides the best estimates from an economic point of view, as the underlying market yields may differ across countries (and over time). Moreover, to arrive at fully comparable results across schemes, such a harmonised discount rate should be applied to all types of pension schemes in the table. This may be problematic when some of the underlying data are provided directly by pension funds or actuaries, and are based on discount rates according to the recommendations in international accounting standards. If these would be combined with entitlements that are derived on the basis of internationally harmonised rates, this would hamper comparability of pension schemes within a country.

37. The second option has been chosen in the Eurostat exercise in which a fixed discount rate is applied for all EU countries: 3% real and 5% nominal<sup>10</sup>. The main underlying reason for this decision is the importance to arrive at comparable data across European countries. In that regard, it should be borne in mind that applying a fixed discount rate for EU-countries makes more sense than in the case of non-European OECD countries, where the economic differences between countries may be more pronounced. This is particularly the case with regard to nominal discount rates, bearing in mind the more substantial differences in inflation rates across non-European OECD countries.

**Question 2.** *Would you be in favour of a harmonised (real) discount rate across (non-EU) countries?*

**Question 3.** *If not, would you prefer guidance to determine a discount rate on the basis of long-term government bonds or high quality corporate bonds as recommended by IPSAS 25, or would you prefer an alternative?*

38. If the preference is to provide guidance for determining the discount rate on the basis of long-term government bonds or high quality corporate bonds as recommended by IPSAS 25, non-EU countries could indicate the rate used in the metadata, and provide pension liabilities estimates as readily available. The dissemination of the discount rates used would provide relevant information for users to assess and compare pension entitlements across schemes, countries and over time. As the discount rate could vary across pension schemes (due to different benefit payment schemes), the rates should preferably be indicated by scheme.

**Question 4.** *Do you apply the same discount rate for all defined benefit schemes (columns B, E to H)?*

**Question 5.** *Would you be able to provide discount rates for the various pension schemes distinguished in the table?*

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<sup>10</sup> As in the Eurostat exercise, the discount rate is fixed, EU countries are requested to also complete two other tables (Table 2901 and Table 2902), which provide two sensitivity analyses taking as reference the base case discount rate (Table 2900) plus or minus 1%.

39. Regarding the treatment of future wage increases, the PBO method is recommended by both IPSAS and the International Accounting Standards (IAS 19) to measure both government and non-government pension entitlements. The European Ageing Working Group also recommends the PBO approach.

*Question 6. Can you apply the PBO method for all defined benefit schemes?*

40. Ideally the PBO method can be applied for all pension schemes. However, if the ABO method is applied for certain schemes, the OECD secretariat would prefer that this is highlighted in the metadata. Furthermore, it would be appreciated if any relevant assumptions regarding the life expectancy, future fertility rates and migration could be specified in the accompanying methodological notes.

#### **Transmission of the adjusted SNA table 17.10**

41. The OECD proposes to collect non-European pension data in the course of 2018 for the reference year 2015 (with data starting from 2012 on a voluntary basis). The data collection would take place every 3 years. However, if some Member countries already publish pension data on an annual basis, the OECD would be happy to receive it shortly after their publication.

42. The transmission of the data would take place using an Excel file convertible to SDMX, or directly via SDMX xml files.

## **4. Table on household retirement resources**

43. More detailed information on pension entitlements is not only important for assessing the financial situation of pension schemes, but also for analysing the resources that households have set aside for their retirement. The latter is particularly important in times of an ageing society. For that reason a table has been developed that focuses on household retirement resources<sup>11</sup>. This table contains information on social insurance entitlements as covered in the adjusted Table 17.10, but also includes information on other retirement assets, such as social assistance pension benefits, life insurance and other private schemes. This chapter provides an overview of this table on household retirement resources. The OECD Secretariat would like to receive feedback on the importance and feasibility of collecting this additional type of information.

44. The table on household retirement resources is presented in Annex 3. In this table, all columns reflect retirement resources from the viewpoint of resident households, so covering all their entitlements regardless of the counterpart being a resident or non-resident pension scheme.

45. Column A covers the social insurance pension entitlements of resident households as derived in Column M of the adjusted Table 17.10 discussed in the previous chapter. These numbers can thus easily be obtained from that table. Further breakdowns could be

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<sup>11</sup> A first version of this table was discussed at the 2014 OECD Working Party on National Accounts.

envisaged into employment-related and social security schemes, as well as into defined benefit and defined contribution schemes, but as this would require some assumptions to adjust some of the information included in the adjusted Table 17.10, this is deemed too demanding at this stage.

46. Column B records social assistance pension schemes. These schemes differ from social security type of schemes, in that no dedicated social contributions are collected to finance (part of) the benefits, the benefits usually being financed on the basis of more generic types of taxes. As with social security schemes, the (implicit) entitlements related to social assistance schemes are neither covered in the central framework of the national accounts, nor in the adjusted supplementary table 17.10. They would only be provided in this supplementary table. The relevant entitlements can be derived in a way similar to social security pension schemes, i.e. on the basis of actuarial estimates of the projected future pension benefits. Subsequently, there are two ways to account for the changes in these entitlements. As the benefits are usually being financed on the basis of general funds, a first possibility would be to not show any contributions or funding, but only record the pension benefits and report all other changes in the entitlements as ‘other actuarial accumulation of pension entitlements’. An alternative would be to make an imputation for the funding of these schemes, either by imputing a social contribution equal to the pension benefits or equal to the accrual of new entitlements in the recording period. In line with the pay-as-you-go set up of these schemes, the option to impute an amount equal to the social assistance pension benefits would probably make more sense<sup>12</sup>. In that case, the ‘other actuarial accumulation of pension entitlements’ would only show the residual change in the entitlements.

47. Columns C, D, E and F focus on retirement assets that are not related to social insurance or social assistance. Columns C and D concern (individual) life insurance, broken down into annuities and other policies. Although the relevant assets may not always be related to retirement, most of the individual life insurance policies are comparable with social insurance type of pension schemes, providing income after retirement or to survivors. Column E represents private retirement savings schemes which are linked to tax incentives often offered by governments to encourage households to save for retirement. Examples are the Individual Retirement Account (IRA) in the United States and the registered retirement savings plan (RRSP) in Canada (Van de Ven, 2014). Finally, column F represents country-specific individual (savings) schemes that are not covered under columns A to E, such as dwellings which may be used to compensate for a lack of income by providing additional dis-savings. For reasons of interpretation and international comparability, countries are requested to specify the various types of assets that are covered under this item.

48. The rows of the Table on Household Retirement Resources are broadly in line with the ones in the adjusted Table 17.10, although some of them have a slightly different coverage to reflect that the entitlements are regarded from the viewpoint of resident

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<sup>12</sup> Please note that whereas in funded schemes there is often a direct link between the amounts of the pension contributions and the accrual of entitlements, this link is usually not so strong for pay-as-you-go systems. In the latter schemes current contributions are used to pay for the benefits of current retirees, whereas at the same time entitlements accrue on the basis of criteria that often relate more to demographic circumstances than to contribution payments. As a consequence, the size of the pension entitlement accrual may differ from the amount of current contributions, especially in times of demographic changes.

households and may also refer to other household retirement resources. The table distinguishes the following rows:

- Opening stock of household retirement resources (row 1).
- Net social contributions relating to social insurance pension schemes paid and, in case of an imputation for the funding of social assistance pension schemes, also these imputed amounts (row 2). In the latter case the coverage of this row would become broader than in the adjusted Table 17.10.
- Other (actuarial) accumulation of pension entitlements in social security and social assistance schemes (row 3). This row is similar to row 3 of the adjusted Table 17.10, but now also covers accumulation in social assistance schemes, the amount of the latter depending on a possible imputation for the funding of social assistance benefits in row 2.
- Pension benefits received (row 4), also covering social assistance schemes.
- Adjustment for the change in pension entitlements (row 5), compiled as sum of net social contributions (row 2) and other actuarial changes (row 3) minus pension benefits (row 4).
- Changes in entitlements due to transfers of entitlements (row 6) which from the viewpoint of the household sector will occur in case of migration.
- Changes in entitlements due to negotiated changes in scheme structure (row 7), in comparison with adjusted Table 17.10 now also covering social assistance pension schemes.
- Additions to less withdrawals from individual schemes not related to social insurance or social assistance (row 8), so referring to the schemes covered in columns C to F. The amounts are equal to the related amounts recorded in the financial accounts. An alternative would have been to record their changes in rows 2 and 3, but it has been opted to include a separate row to have a closer alignment with the data recorded in the central framework of the national accounts, and to avoid having to change the terminology of the rows 2 and 3 as used in the adjusted Table 17.10. As the amounts are the result of additions and withdrawals, the possibility has been provided in the table to report these underlying flows as well (rows 8.1 and 8.2).
- Changes in retirement resources due to other economic flows (revaluation and other changes in volume – rows 9 and 10).
- Closing stock of household retirement resources (row 11).

49. On the basis of all this information, total household retirement resources can be obtained in Column G, with a breakdown of its change over time into underlying flows.

50. It is expected that this table on household retirement resources will meet a lot of user demands. However, as not all information may be readily available at this point in time, the OECD Secretariat would like to pose some questions to member states to assess the desirability and feasibility of completing this table.

***Question 7.** Do you think it is important to have separate information on household retirement resources?*

*Question 8. If yes, how do you regard the desirability and feasibility of deriving the presented table on household retirement resources in the short and in the long run?*

*Question 9. Do you think an imputation should be made for the funding of social assistance pension schemes to account for part of the change in its entitlements or should this only be reflected on the basis of pension benefits and other actuarial changes?*

## 5. Conclusion

51. This paper has presented two tables that respond to increased user demands with regard to pension entitlements. The first table (adjusted SNA Table 17.10) provides a comprehensive overview of flows and stocks of all domestic social insurance pension liabilities, whereas the second table focuses on retirement resources from the viewpoint of resident households, also including other assets that household may have set aside for their retirement. It is expected that both tables will provide more comprehensive, coherent, and comparable data on pension entitlements in response to user demands.

52. In line with the data collection by Eurostat for the information on social insurance entitlements for European countries, the OECD Secretariat proposes to start collecting data for the first table for non-European countries in the course of 2018, for reference year 2015 (with data starting from 2012 on a voluntary basis). As input for this data collection, the paper raised some questions regarding the feasibility of the compilation of this data and on some of the underlying assumptions needed to calculate some of the results. Countries are invited to provide their views on these issues.

53. With regard to the second table, the OECD Secretariat would like to receive feedback from countries on the desirability and feasibility to compile these data. For that purpose, the paper also raised a couple of questions that countries are invited to respond to.

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**ANNEX 1. SNA Table 17.10 Supplementary table showing the extent of pension schemes incl. and excl. from the SNA sequence of accounts**

Row number	Position / transaction / other flows	Liabilities appear in the core national accounts								Liabilities do not appear in the core national accounts	
		Non-general government			General government					Total social insurance pension liabilities of domestic pension schemes	Pension entitlements of non-resident households (vis-à-vis the domestic economy)
		Defined contribution schemes	Defined benefit schemes	Total	Defined contribution schemes	General government employee defined benefit schemes			Social security pension schemes		
						In the financial corporation sector	In the general government sector	In the general government sector			
Column number	A	B	C	D	E	F	G	H	I = C to H	J	
	<b>Opening balance sheet</b>										
1	Pension entitlements										
	<b>Transactions</b>										
2 = 2.1 to 2.5	Net social contributions relating to pension schemes										
2.1	Employer actual social contributions										
2.2	Employer imputed social contributions										
2.3	Household actual social contributions										
2.4	Household social contribution supplements										
2.5	Less service charges										
3	Other (actuarial) accumulation of pension entitlements in social security funds										
4	Pension benefits										
5 = 2+3-4	<b>Adjustment for the change in pension entitlements</b>										
6	Change in pension entitlements due to transfers of entitlements										
7	Change in entitlements due to negotiated changes in scheme structure										
	<b>Other economic flows</b>										
8	Revaluations										
9	Other changes in volume										
	<b>Closing balance sheet</b>										
10	Pension entitlements										
	<b>Related indicators</b>										
	Assets held by pension schemes at end-year										

Empty cells show where entries appear in the main ("core") accounts.

Black cells show where no entry is appropriate.

Grey cells show where information is provided in the supplementary table only.

Orange cells show where information slightly differs from the supplementary table as presented in the 2008 SNA.

ANNEX 2: Adjusted SNA Table 17.10

Row number	Position / transaction / other flows	Liabilities appear in the core national accounts							Liabilities do not appear in the core national accounts	Total social insurance pension liabilities of domestic pension schemes	Counterparts: Entitlements of			
		Non-general government			General government				Social security pension schemes		Resident households	Non-resident households	Social insurance pension entitlements of resident households in the rest of the world	Total social insurance pension entitlements of resident households
		Defined contribution schemes	Defined benefit schemes	Total	Defined contribution schemes	General government employee defined benefit schemes		Social security pension schemes						
						In the financial corporation sector	In the general government sector							
Column number	A	B	C	D	E	F	G	H	I = C to H	J	K	L	M = J + L	
<b>Opening balance sheet</b>														
1	Pension entitlements													
<b>Transactions</b>														
2 = 2.1 to 2.5	Net social contributions relating to pension schemes													
2.1	Employer actual social contributions													
2.2	Employer imputed social contributions													
2.3	Household actual social contributions													
2.4	Household social contribution supplements													
2.5	Less service charges													
3	Other (actuarial) accumulation of pension entitlements in social security funds													
4	Pension benefits													
5 = 2+3-4	Adjustment for the change in pension entitlements													
6	Change in pension entitlements due to transfers of entitlements													
7	Change in entitlements due to negotiated changes in scheme structure													
<b>Other economic flows</b>														
8	Revaluations													
9	Other changes in volume													
<b>Closing balance sheet</b>														
10	Pension entitlements													
<b>Related information</b>														
11	Assets held by pension schemes at end-year													
12	Discount rate used for defined benefits													

Empty cells show where entries appear in the main ("core") accounts.  
 Black cells show where no entry is appropriate.  
 Grey cells show where information is provided in the supplementary table only.  
 Orange cells show where information slightly differs from the supplementary table as presented in the 2008 SNA.  
 Yellow cells show where information has been added in comparison with the original Table 17.10.

**ANNEX 3: Table on Household Retirement Resources**

		Social insurance pension entitlements	Social assistance pension entitlements (entitlements do not appear in the core national accounts)	Life insurance		Specific schemes linked to tax incentives	Other (please specify: .....	Total resident household retirement resources
				Annuities	Other (individual) life insurance policies			
		A	B	C	D	E	F	G= A to F
<b>Opening balance sheet</b>								
1	Total household retirement resources							
<b>Transactions</b>								
2	Net social contributions/funding relating to social insurance and social assistance pension schemes							
3	Other (actuarial) accumulation of pension entitlements in social security and social assistance schemes							
4	Pension benefits							
5 = 2 + 3 - 4	Adjustment for the change in pension entitlements							
6	Change in pension entitlements due to transfers of entitlements							
7	Change in entitlements due to negotiated changes in scheme structure							
8 = 8.1 - 8.2	Additions to less withdrawals from individual schemes not related to social insurance or social assistance							
8.1	Additions							
8.2	Withdrawals							
<b>Other economic flows</b>								
9	Revaluations							
10	Other changes in volume							
<b>Closing balance sheet</b>								
11	Total household retirement resources							

**Empty cells** show where entries appear in the main ("core") accounts.  
**Black cells** show where no entry is appropriate.  
**Grey cells** show where information is provided in the supplementary table only.  
**Green cells** show which information can be obtained from the adjusted Table 17.10.  
**Orange cells** show where information slightly differs from the adjusted Table 17.10.  
**Yellow cells** show which rows have been added in comparison with the adjusted Table 17.10.