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Private Pensions: OECD Classification and Glossary

Les pensions privées : Classification et glossaire de l'OCDE

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Pensions Glossary

NOTE

In order to develop a common understanding and vocabulary, under the aegis of the Working Party on Private Pensions (WPPP), ongoing work on the “OECD Pensions Glossary” includes an expanded list of terms, proposed definitions and related vocabularies. Some of the definitions are extracted from the OECD Secretariat document “Revised taxonomy for pension plans, pension funds and pension entities”.*

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Term	Definition	Related terms	Identical terms
1. Accrual factor	→		Accrual rate
2. Accrual rate	The rate at which pension benefits builds up as member service is completed in a defined benefit plan.	Defined benefit plan	Accrual factor
3. Accrued benefits	The amount of accumulated pension benefits of a pension plan member on the basis of years of service.		Accrued rights
4. Accrued rights	→		Accrued benefits
5. Accumulated assets	The total value of assets accumulated in a pension fund.		Accumulated contributions
6. Accumulated Benefit Obligation (ABO)	The actuarial present value of benefits, vested and non-vested, attributed to the pension formula to employee service rendered to a particular date, based on current salaries.	Projected Benefit Obligation (PBO)	
7. Accumulated contributions	→		Accumulated assets
8. Active member	A pension plan member who is making contributions (and/or on behalf of whom contributions are being made) and is accumulating assets.	Pension plan member	
9. Actuarial assumptions	The various estimates (including assumptions related to changes in longevity, wage, inflation, returns on assets, etc.) that the actuary makes in formulating the actuarial valuation.	Actuary Actuarial valuation	
10. Actuarial deficiency	In a situation when the actuarial value of a pension fund's assets is less than the actuarial liability, the measure of this value.	Actuarial surplus Actuarial valuation	Deficiency
11. Actuarial increase	The amount of benefit increase the pension fund member receives – calculated based on actuarial assumptions – in case of deferred retirement.	Actuarial assumptions Deferred retirement	
12. Actuarial liability	The amount calculated based on actuarial assumptions that represents the present value of the pension benefits accrued in a pension plan.	Actuarial valuation	
13. Actuarial reduction	The amount of benefit decrease the pension plan member receives – calculated based on actuarial assumptions – in case of early retirement.	Actuarial assumptions Early retirement	
14. Actuarial report	The report prepared by the actuary following the actuarial valuation that describes the financial position of the pension fund.	Actuarial valuation	
15. Actuarial surplus	In a situation when the actuarial liability is less than the actuarial value of a pension fund's assets, the measure of this value.	Actuarial deficiency Overfunding Actuarial valuation	Surplus
16. Actuarial valuation	A valuation carried out by an actuary on a regular basis, in particular to test future funding or current solvency of the value of the pension fund's assets with its liabilities.	Actuarial deficiency Actuarial surplus	Valuation

Term	Definition	Related terms	Identical terms
17. Actuary	The person or entity whose responsibility, as a minimum, is to evaluate present and future pension liabilities in order to determine the financial solvency of the pension plan, following recognised actuarial and accounting methods.		
18. Administration	The operation and oversight of a pension fund.		
19. Annual pensions estimate	→		Benefit statement
20. Annual report	A report prepared each year by the pension fund, which informs of its operation, and other information whereby the trustees of pension funds inform all interested parties.		
21. Annuitant	The person who is covered by an annuity and who will normally receive the benefits of the annuity.	Annuity	
22. Annuity	A form of financial contract mostly sold by life insurance companies that guarantees a fixed or variable payment of income benefit (monthly, quarterly, half-yearly, or yearly) for the life of a person(s) (the annuitant) or for a specified period of time. It is different than a life insurance contract which provides income to the beneficiary after the death of the insured. An annuity may be bought through instalments or as a single lump sum. Benefits may start immediately or at a pre-defined time in the future or at a specific age.	Annuity rate	Pension annuity
23. Annuity rate	The present value of a series of payments of unit value per period payable to an individual that is calculated based on factors such as the mortality of the annuitant and the possible investment returns.	Unisex annuity rate Unistatus annuity rate	
24. Asset allocation	The spread of fund investments among different investment forms.		
25. Asset management	The act of investing the pension fund's assets following its investment strategy.	Asset manager	
26. Asset manager	The individual(s) or entity(ies) endowed with the responsibility to physically invest the pension fund assets. Asset managers may also set out the investment strategy for a pension fund.	Asset management	
27. Assets	→	Liabilities	Pension assets
28. Auditor	A qualified individual or entity endowed with the task of conducting audit.		
29. Average earnings scheme	A scheme where the pension benefits earned for a year depend on how much the member's earnings were for the given year.		Career average scheme
30. Basic pension	→		Basic state pension

Term	Definition	Related terms	Identical terms
31. Basic state pension	A non-earning related pension paid by the State to individuals with a minimum number of service years.		Basic pension
32. Beneficiary	An individual who is entitled to a benefit (including the plan member and dependants).		Pension plan beneficiary
33. Benefit	Payment made to a pension fund member (or dependants) after retirement.		Pension benefit Retirement benefit
34. Benefit statement	A statement of the pension benefits an individual has earned (in a defined benefit plan) or a prediction of what the final pension might be (in a defined contribution plan).		Annual pension estimate
35. Book reserved pension plans	Sums entered in the balance sheet of the plan sponsor as reserves or provisions for occupational pension plan benefits. Some assets may be held in separate accounts for the purpose of financing benefits, but are not legally or contractually pension plan assets. Most OECD countries do not allow this method of financing. Those that do usually require these plans to be insured against bankruptcy of the plan sponsor through an insolvency guaranty arrangement.	Funded pension plans Unfunded pension plans	
36. Career average scheme	→		Average earnings scheme
37. Closed pension funds	Funds that support only pension plans that are limited to certain employees. (<i>e.g.</i> those of an employer or group of employers).	Open pension fund	
38. Company pension plan	→		Employer's pension plan Occupational pension plan Pension contribution
39. Contribution	A payment made to a pension plan by a plan sponsor or a plan member.		Pension contribution
40. Contribution base	The reference salary used to calculate the contribution.		
41. Contribution holiday	A period when the contributions to a pension scheme are put on hold, the most common reason for this being a situation of overfunding.	Overfunding	
42. Contribution rate	The amount (typically expressed as a percentage of the contribution base) that is needed to be paid into the pension fund.	Contribution base	Funding rate
43. Contributory pension scheme	A pension scheme where both the employer and the members have to pay into the scheme.	Non-contributory pension scheme	
44. Corporate trustee	A company that acts as a trustee.	Trustee	
45. Custodian	The entity responsible, as a minimum, for holding the pension fund assets and for ensuring their safekeeping.		
46. DB system	→		Defined benefit plans

Term	Definition	Related terms	Identical terms
47. DC system	→		Defined contribution plans
48. Deferred pension	A pension arrangement in which a portion of an employee's income is paid out at a date after which that income is actually earned.	Deferred pensioner Deferred retirement	
49. Deferred pensioner	An individual who draws the pension benefits later than their normal retirement age.	Deferred pension Deferred retirement	
50. Deferred retirement	A situation when an individual decides to retire later and draw the pension benefits later than their normal retirement age.	Deferred pension Deferred pensioner Early retirement	Late retirement Postponed retirement
51. Deferred member	A pension plan member that no longer contributes to or accrues benefits from the plan but has not yet begun to receive retirement benefits from that plan.	Inactive member	
52. Deficiency	→		Actuarial deficiency
53. Defined benefit (DB) occupational pension plans	Occupational plans other than defined contributions plans. DB plans generally can be classified into one of three main types, "traditional", "mixed" and "hybrid" plans.	"Traditional" DB plans "Hybrid" DB plans "Mixed" DB plans Defined contribution (DC) occupational pension plans	
54. "Traditional" DB plan	A DB plan where benefits are linked through a formula to the members' wages or salaries, length of employment, or other factors.	Defined benefit (DB) occupational pension plans "Hybrid" DB plans "Mixed" DB plans Defined contribution (DC) occupational pension plans	
55. "Hybrid" DB plan	A DB plan where benefits depend on a rate of return credited to contributions, where this rate of return is either specified in the plan rules, independently of the actual return on any supporting assets (<i>e.g.</i> fixed, indexed to a market benchmark, tied to salary or profit growth, etc.), or is calculated with reference to the actual return of any supporting assets and a minimum return guarantee specified in the plan rules.	Defined benefit (DB) occupational pension plans "Traditional" DB plans "Mixed" DB plans Defined contribution (DC) occupational pension plans	
56. "Mixed" DB plans	DB plans that has two separate DB and DC components but which are treated as part of the same plan.	Defined benefit (DB) occupational pension plans "Traditional" DB plans "Hybrid" DB plans Defined contribution (DC) occupational pension plans	

Term	Definition	Related terms	Identical terms
57. Defined contribution (DC) occupational pension plans	Occupational pension plans under which the plan sponsor pays fixed contributions and has no legal or constructive obligation to pay further contributions to an ongoing plan in the event of unfavourable plan experience.	Defined benefit (DB) Occupational pension plans "Traditional" DB plans "Hybrid" DB plans "Mixed" DB plans	
58. Dependant	An individual who is financially dependent on a (passive or active) member of a pension scheme.		
59. Dependency ratio	Typically defined as the ratio of those of non-active age to those of active age in a given population.	System dependency ratio	
60. Disclosure regulations	The rules the pension plan must follow when providing information on the plan operation to its members and the supervisory authority.		
61. Early retirement	A situation when an individual decides to retire earlier later and draw the pension benefits earlier than their normal retirement age.	Deferred retirement	Early leaver
62. EET system	A form of taxation of pension plans, whereby contributions are exempt, investment income and capital gains of the pension fund are also exempt and benefits are taxed from personal income taxation.	TEE system ETE system	
63. Employer's pension plan	→		Occupational pension plans Company pension plans
64. ETE system	A form of taxation whereby contributions are exempt, investment income and capital gains of the pension fund are taxed and benefits are also exempt from personal income taxation.	EET system TEE system	
65. Fair value	The price at which an asset would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts.	Market value	
66. Final average earnings	The fund member's earnings that are used to calculate the pension benefit in a defined benefit plan; it is typically the earnings of the last few years prior to retirement.		
67. Final earnings scheme	→		Final salary scheme
68. Final salary scheme	A type of defined benefit plan, whereby the pension benefit is typically based on the last few years' earnings before retirement.	Defined benefit plan Final average earnings Flat rate scheme Earnings related pensions	Final earnings scheme
69. Flat rate scheme	A type of defined benefit scheme, whereby the pension benefit is only based on the length of membership in the scheme and is not affected by earnings.	Defined benefit plan Final salary scheme	

Term	Definition	Related terms	Identical terms
70. Fund member	An individual who is either an active (working or contributing, and hence actively accumulating assets) or passive (retired, and hence receiving benefits), or deferred (holding deferred benefits) participant in a pension plan.	Active member	Member Pension plan member Pension fund member Plan member
71. Funded pension plans	Occupational or personal pension plans that accumulate dedicated assets to cover the plan's liabilities.	Pay-As-You-Go (PAYG) plan Unfunded pension plans Book reserved pension plans	
72. Funding	The act of accumulating assets in order to finance the pension plan.		
73. Funding level	The relative value of a scheme's assets and liabilities, usually expressed as a percentage figure.	Overfunding Underfunding Funding ratio	Level of funding
74. Funding plan	The timing of payments of contributions with the aim of meeting the cost of a given set of benefits under a defined benefit scheme. Possible objectives of a funding plan might be that, if the actuarial assumptions are borne out: a) a specified funding level should be reached by a given date; b) the level of contributions should remain constant, or should after a planned period be the standard contribution rate required by the valuation method used in the actuarial valuation.	Actuarial valuation	
75. Funding rate	→		Contribution rate
76. Funding ratio	The funding level expressed as a fraction.	Funding level	
77. Funding rules	Regulation that requires the maintenance of a certain level of assets in a pension fund in relation to pension plan liabilities.		
78. Governing body (of the pension fund)	Governing body (of the pension fund): this is the person(s) ultimately responsible for managing the pension fund with the overriding objective of providing a secure source of retirement income. In cases where operational and oversight responsibilities are split between different committees within an entity, the governing body is the executive board of the entity. Where the pension fund is not a legal entity, but managed directly by a financial institution, that institution's board of directors is also the governing body of the pension fund.		Administrator
79. Gross rate of return	The rate of return of an asset or portfolio over a specified time period, prior to discounting any fees of commissions.	Rate of return Net rate of return	

Term	Definition	Related terms	Identical terms
80. Group pension funds	Multi-employer pension funds that pool the assets of pension plans established for related employers.	Collective pension funds Related member funds Individual pension funds Industry pension funds Multi-employer pension funds Single employer pension funds	
81. Guarantee	→		Pension guarantee
82. Guaranteed annuity	An annuity that is paid until the death of the annuitant. If this occurs prior to a certain date, the annuity is then paid to their dependants until that date.	Annuity	
83. Inactive member	→	Deferred member	
84. Income replacement rate	→		Replacement rate
85. Indexation	The method with which pension benefits are adjusted to take into account changes in the cost of living (<i>e.g.</i> prices and/or earnings).	Price indexation Wage indexation Mixed indexation	
86. 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.	Group pension funds Collective pension funds Related member funds	
87. Industry pension funds	Funds that pool the assets of pension plans established for unrelated employers who are involved in the same trade or businesses.	Collective pension funds Related member funds Individual pension funds Group pension funds Multi-employer pension funds Single employer pension funds	
88. Late retirement	→		Deferred retirement Postponed retirement
89. Level of funding	→		Funding level
90. Liabilities (value of)	Value of liabilities.	Assets	
91. Mandatory contribution	The level of contribution the member (or an entity on behalf of the member) is required to pay according to scheme rules.	Voluntary Contribution	
92. Mandatory occupational plans	Participation in these plans is mandatory for employers. Employers are obliged by law 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, but the employees' membership is on a voluntary basis, these plans are also considered mandatory.	Occupational pension plans Voluntary occupational pension plans	

Term	Definition	Related terms	Identical terms
93. Mandatory personal pension 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.	Personal pension plans Voluntary personal pension plans	
94. Market value	The price at which an asset would change hands if it sold on the open market.	Fair value	
95. Member	→	Active member	Fund member Pension plan member Plan member Pension fund member
96. Minimum benefit	→		Minimum pension
97. Minimum pension	The minimum level of pension benefits the plan pays out in all circumstances.		Minimum benefit
98. Mixed indexation	The method with which pension benefits are adjusted taking into account changes in both wages and prices.	Wage indexation Price indexation	Swiss indexation
99. Money purchase plan	A pension plan providing benefits on a money purchase basis (ie the determination of an individual member's benefits by reference to contributions paid into the scheme in respect of that member, usually increased by an amount based on the investment return on those contributions)	Defined contribution plan	
100. Mortality table	A chart showing rate of death at each age.	Unisex mortality table	
101. Multi-employer pension funds	Funds that pool the assets of pension plans established by various plan sponsors. There are three types of multi-employer pension funds: <i>a)</i> for related employers i.e. companies that are financially connected or owned by a single holding group (group pension funds); <i>b)</i> for unrelated employers who are involved in the same trade or business (industry pension funds); <i>c)</i> for unrelated employers that may be in different trades or businesses (collective pension funds).	Group pension funds Individual pension funds Industry pension funds Multi-employer pension funds Related pension funds Single employer pension funds	
102. Net rate of return	The rate of return of an asset or portfolio over a specified time period, after discounting any fees of commissions.	Rate of return Gross rate of return	
103. Non-contributory pension scheme	A pension scheme where the members do not have to pay into the scheme.	Contributory pension scheme	
104. Normal pension age	→		Normal retirement age Retirement age

Term	Definition	Related terms	Identical terms
105. Normal retirement age	Age from which the individual is eligible for pension benefits.		Normal pension age Retirement age
106. Occupational pension plans	Access to such plans is linked to an employment or professional relationship between the plan member and the entity that establishes the plan (the plan sponsor). Occupational plans may be established by employers or groups thereof (<i>e.g.</i> industry associations) and labour or professional associations, jointly or separately. The plan may be administered directly by the plan sponsor or by an independent entity (a pension fund or a financial institution acting as pension provider). In the latter case, the plan sponsor may still have oversight responsibilities over the operation of the plan.	Mandatory occupational pension plans Voluntary occupational pension plans	Company pension plans Employer's pension plans
107. Open pension funds	Funds that support at least one plan with no restriction on membership.	Closed pension funds	
108. Overfunding	The situation when the value of a plan's assets are more than its liabilities, thereby having an actuarial surplus.	Funding level Actuarial surplus Underfunding	
109. Oversight committee	→		Supervisory body
110. Participant	→	Fund member	
111. Pay-As-You-Go (PAYG) plan	→	Funded pension plans	Unfunded pension plans
112. Pension	→		Benefit
113. Pension annuity	→		Annuity
114. Pension assets	All forms of investment with a value associated to a pension plan.	Liabilities	
115. Pension benefit	→		Benefit Retirement benefit
116. Pension contribution	→		Contribution
117. Pension funds	The pool of assets forming an independent legal entity that are bought with the contributions to a pension plan for the exclusive purpose of financing pension plan benefits. The plan/fund members have a legal or beneficial right or some other contractual claim against the assets of the pension fund. Pension funds take the form of either a special purpose entity with legal personality (such as a trust, foundation, or corporate entity) or a legally separated fund without legal personality managed by a dedicated provider (pension fund management company) or other financial institution on behalf of the plan/fund members.		
118. Pension fund administrator	The individual(s) ultimately responsible for the operation and oversight of the pension fund.		Governing body

Term	Definition	Related terms	Identical terms
119. Pension fund governance	The operation and oversight of a pension fund. The governing body is responsible for administration, but may employ other specialists, such as actuaries, custodians, consultants, asset managers and advisers to carry out specific operational tasks or to advise the plan administration or governing body.		
120. Pension fund managing company	A type of administrator in the form of a company whose exclusive activity is the administration of pension funds.		
121. Pension fund member	→		Member Pension plan member
122. Pension insurance contracts	Insurance contracts that specify pension plans contributions to an insurance undertaking in exchange for which the pension plan benefits will be paid when the members reach a specified retirement age or on earlier exit of members from the plan. Most countries limit the integration of pension plans only into pension funds, as the financial vehicle of the pension plan. Other countries also consider the pension insurance contract as the financial vehicle for pension plans.	Pensions funds	
123. Pension plan	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. In addition to having an explicit retirement objective, pension plans may offer additional benefits, such as disability, sickness, and survivors' benefits.	Pension funds	Pension scheme
124. Pension plan administrator	The individual(s) ultimately responsible for the operation and oversight of the pension plan.		
125. Pension plan administrator	→		Administrator
126. Pension plan administrator	→		Administrator
127. Pension plan beneficiary	→		Beneficiary
128. Pension plan member	→		Fund member Member Pension fund member Plan member

Term	Definition	Related terms	Identical terms
129. Pension plan sponsor	An institution (e.g. company, industry/ employment association) that designs, negotiates, and normally helps to administer an occupational pension plan for its employees or members.		Plan sponsor
130. Pension regulator	A governmental authority with competence over the regulation of pension systems.	Pension supervisor	
131. Pension scheme	→	Pension funds	Pension plan Retirement plan
132. Pension supervisor	A governmental authority with competence over the supervision of pension systems.	Pension regulator	
133. Pensionable age	→		Normal retirement age
134. Pensionable service	→		Service period
135. Individual pension plans	→		Personal pension plans
136. Personal pension plans	Access to these plans does not have to be linked to an employment relationship. The plans are established and administered directly by a pension fund or a financial institution acting as pension provider without any intervention of employers. Individuals independently purchase and select material aspects of the arrangements. The employer may nonetheless make contributions to personal pension plans. Some personal plans may have restricted membership.	Mandatory personal plans Voluntary personal plans	Personal plans
137. Phased retirement	A situation when an individual is allowed to retire and receive retirement benefits while continuing to work (usually part-time) and contributing towards the retirement scheme.		
138. Plan member	→		Member Pension fund member
139. Plan sponsor	→		Pension plan sponsor
140. Postponed retirement	→		Deferred retirement Late retirement
141. Price indexation	The method with which pension benefits are adjusted taking into account changes in prices.	Wage indexation	
142. Private pension funds	A pension fund that is regulated under private sector law.	Public pension funds	
143. Private pension plans	A pension plan administered by an institution other than general government. Private pension plans may be administered directly by a private sector employer acting as the plan sponsor, a private pension fund or a private sector provider. Private pension plans may complement or substitute for public pension plans. In some countries, these may include plans for public sector workers.	Public pension plans Pension plans	

Term	Definition	Related terms	Identical terms
144. Projected Benefit Obligation (PBO)	The actuarial present value of vested and non-vested benefits attributed to the plan through the pension benefit formula for service rendered to that date based on employees' future salary levels.	Accumulated Benefit Obligation (ABO)	
145. Protected pension plan	A plan (personal pension plan or occupational defined contribution pension plan) other than an unprotected pension plan. The guarantees or promises may be offered by the pension plan/fund itself or the plan provider (<i>e.g.</i> deferred annuity, guaranteed rate of return).	Unproted pension plan	
146. Public pension funds	Pension funds that are regulated under public sector law.	Private pension funds Pension funds	
147. Public pension plans	Social security and similar statutory programmes administered by the general government (that is central, state, and local governments, as well as other public sector bodies such as social security institutions). Public pension plans have been traditionally PAYG financed, but some OECD countries have partial funding of public pension liabilities or have replaced these plans by private pension plans.	Private pension plan Pension plan	
148. Qualifying period	→		Waiting period
149. Rate of return	The income earned by holding an asset over a specified period.	Gross rate of return Net rate of return	
150. Regulatory authority	→	Supervisory authority	Pension regulator
151. Related member funds	Pension funds that comprise the assets of a limited number of related members who are all in the governing body of the pension fund.	Collective pension funds Group pension funds Individual pension funds	
152. Replacement rate	The ratio of an individual's (or a given population's) (average) pension in a given time period and the (average) income in a given time period.		Income replacement rate
153. Retirement age	→		Normal retirement age Normal pension age
154. Retirement benefit	→		Benefit Pension benefit
155. Retirement plan	→		Pension plan Pension scheme
156. Separate accounts	A pension fund that is legally segregated from both the plan sponsor and a financial institution that acts as the manager of the fund on behalf of the plan member.	Pension fund Plan sponsor Plan member	
157. Service period	The length of time an individual has earned rights to a pension benefits.		Pensionable service

Term	Definition	Related terms	Identical terms
158. Single employer pension funds	Funds that pool the assets of pension plans established by a single sponsor.	Collective pension funds Related member funds Individual pension funds Industry pension funds Multi-employer pension funds Group pension funds	
159. Superannuation	→		Pension
160. Supervisory authority	→	Regulatory authority	Pension supervisor
161. Supervisory board	The individual(s) responsible for monitoring the governing body of a pension entity.		Oversight committee
162. Surplus	→		Actuarial surplus
163. Swiss indexation	→		Mixed indexation
164. System dependency ratio	Typically defined as the ratio of those receiving pension benefits to those accruing pension rights.	Dependency ratio	
165. TEE system	A form of taxation of pension plans whereby contributions are taxed, investment income and capital gains of the pension fund are exempt and benefits are also exempt from personal income taxation.	EET system ETE system	
166. Termination	→		Winding up
167. TPA (Third Party Administrator)	An entity other than a plan sponsor, that is responsible for administering an occupational pension plan.		
168. Trust	A legal scheme, whereby named people (termed trustees) hold property on behalf of other people (termed beneficiaries).	Trustee	
169. Trustee	A person or a company appointed to carry out the tasks of the trust.	Corporate trustee Trust	
170. Underfunding	The situation when the value of a plan's assets are less than its liabilities, thereby having an actuarial deficiency.	Funding level Actuarial deficiency Overfunding	
171. Unfunded pension plans	Plans 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 to cover immediate expenses or smooth contributions within given time periods. Most OECD countries do not allow unfunded private pension plans.	Funded pension plans	PAYG plan
172. Unisex annuity rate	Annuity rates that are the same for men and women.	Annuity rate	

Term	Definition	Related terms	Identical terms
173. Unisex mortality table	Mortality table where the rate of death is equal for males and females.	Mortality table	
174. Unistatus annuity rate	Annuity rates which are the same for both men and women and for all family status.	Annuity rate	
175. Unprotected pension plan	A plan (personal pension plan or occupational defined contribution pension plan) where the pension plan/fund itself or the pension provider does not offer any investment return or benefit guarantees or promises covering the whole plan/fund.	Protected pension plan	
176. Valuation	→		Actuarial valuation
177. Vested Benefit Obligation (VBO)	The actuarial present value, using current salary levels, of vested benefits only.		
178. Vested benefits	→		Vested rights
179. Vested rights	Deferred pensions for deferred pensioners, benefits accrued to active members and benefits of passive members.		Vested benefits
180. Voluntary contribution	An extra contribution paid in addition to the mandatory contribution a member can pay to the pension fund in order to increase the future pension benefits.	Contribution Mandatory Contribution	
181. Voluntary occupational pension 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. 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.	Occupational pension plans Mandatory occupational pension plans	
182. Voluntary personal pension 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. Voluntary personal plans include those plans that individuals must join if they choose to replace part of their social security benefits with those from personal pension plans.	Personal plans Mandatory personal pension plans	
183. Wage indexation	The method with which pension benefits are adjusted taking into account changes in wages.	Price indexation	

Term	Definition	Related terms	Identical terms
184. Waiting period	The length of time an individual must be employed by a particular employer before joining the employer's pension scheme.		Qualifying period
185. Winding-up	The termination of a pension scheme by either providing (deferred) annuities for all members or by moving all its assets and liabilities into another scheme.		