

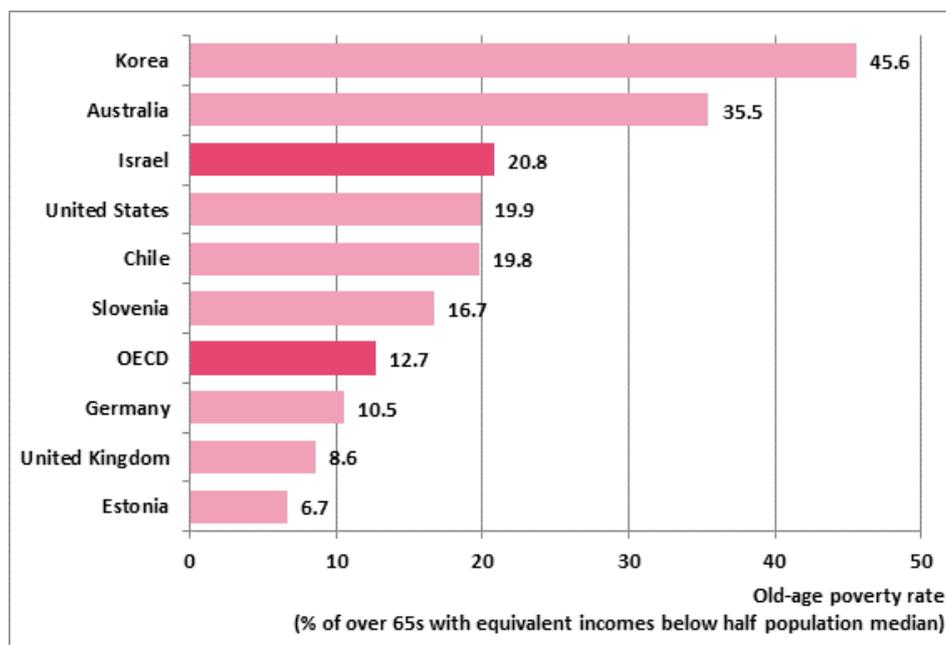
**Pensions at a Glance
2013**
OECD and G20 Indicators

ISRAEL

- **Over one-fifth of seniors live in poverty. This is the fifth highest old-age poverty rate in the OECD countries and more than half the OECD average.**
- **The country has one of the youngest populations in the OECD, which will limit age-related fiscal pressure.**

The old-age poverty rate is the fifth highest in OECD countries. People aged over 65 have, on average, an income equivalent to 96% of that of the total population, against 86% in the OECD on average. Yet, given that the country has the highest population poverty rate within the OECD, at 20.9%, the elderly poverty rate of 20.8% is also well above average. While the poverty rate for the overall population increased by 1 percentage point between 2007 and 2010, it fell by over 1 percentage point for the elderly. Following the introduction of the mandatory defined contribution scheme in 2008 poverty levels are expected to decline in the medium term. This improvement might be lessened if there are frequent early withdrawals following severance payments.

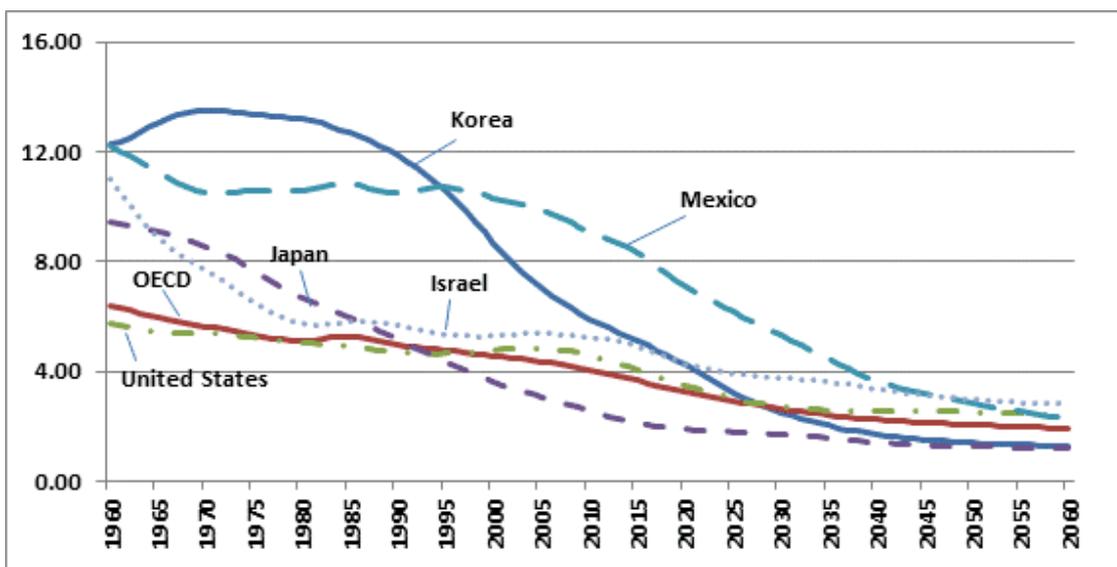
Old-age income poverty rates late 2000s



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

Israel will have the youngest population among the OECD in 50 years time. The country currently has the sixth youngest population in the OECD with 5.2 people of working age for everyone aged 65 or over. Fertility levels are also the highest in the OECD at 2.9, and would remain the highest over the next 50 years despite their expected decrease. Consequently, although declining the old-age support ratio is projected to be the highest in the OECD from around 2050. There would still be three people of working age to every person aged over 65, whilst the OECD average would fall to just over two. With a mandatory defined contribution scheme in place reliance on public finance is not going to be as significant as in many other OECD countries.

Old-age support ratio



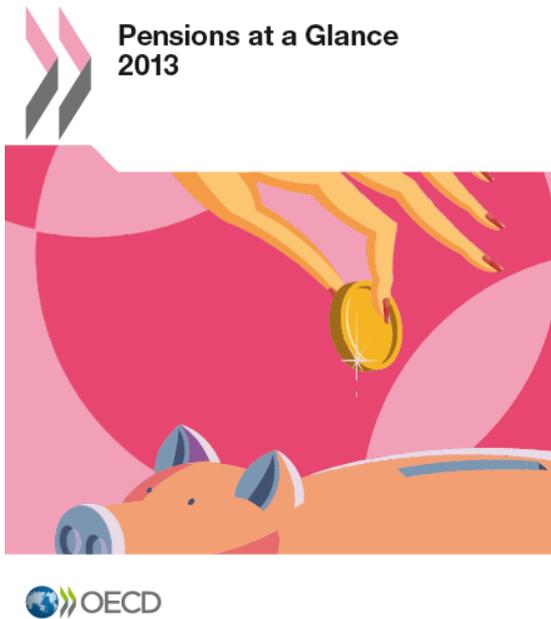
Source: OECD (2013), Pensions at a Glance 2013

Key indicators

		Israel	OECD
Gross replacement rate	Average earner (%)	73.4	54.4
	Low earner (%)	103.7	71.0
Public spending on pensions	% GDP	5.0	7.8
Life expectancy	At birth	81.7	79.9
	At age 65	19.9	19.1
Population aged 65	% of working-age population	19.4	25.5
Average earnings	ILS	119 900	159 400

Note: replacement rate is pension entitlement from all mandatory sources of retirement income relative to individual earnings. Calculations for a full-career worker entering the labour market in 2012. Low earner is assumed to earn 50% of the average. Source: OECD (2013), Pensions at a Glance 2013: OECD and G20 Indicators.

Notes to editors:



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

Published 11.00am Paris time on 26 November 2013

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

363pp. ISBN 978-92-64-20392-1

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