

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

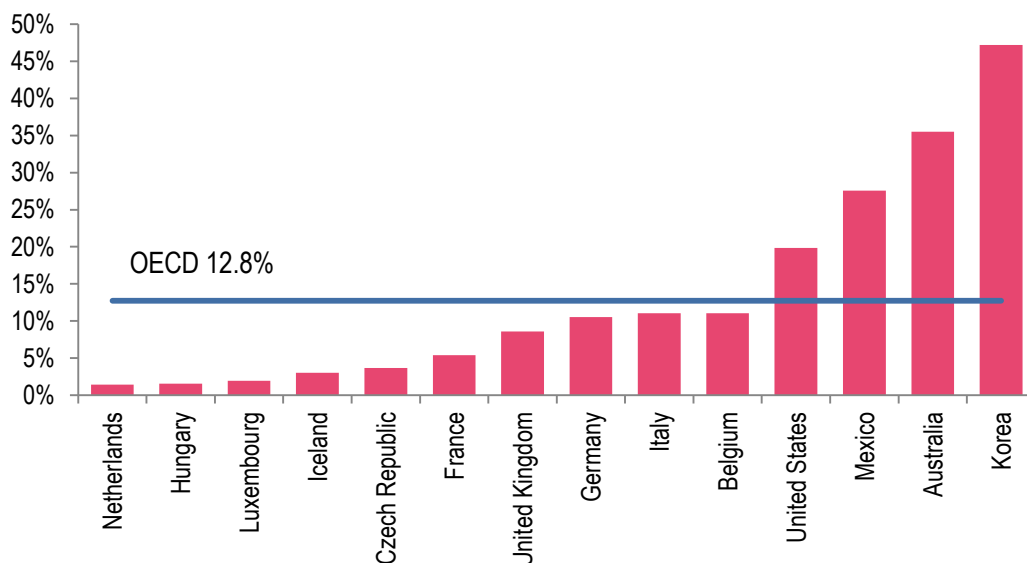
**LUXEMBOURG**

- **Old-age poverty is low and people above 65 have a high level of income relative to the entire population.**
- **Both men and women exit the labour market at a very early stage on average.**

**Recent reforms will improve the financial sustainability of the pension system and lower future gross pension replacement rates.** A full career low-income and average-income earner can expect a gross pension replacement rate of 78% and 56%, respectively, upon retirement, which is above the OECD average standing at 71% and 54%.

**Elderly people have high relative income levels on average, hence old age poverty is low.** The average equivalised income of people over age 65 is equal to 100% of the mean for the total population, which is the highest ratio among OECD countries where it averages 86% in 2010. As a consequence, the poverty rate of people aged 66 years and above is only 1.9% compared with 12.8% on average in the OECD.

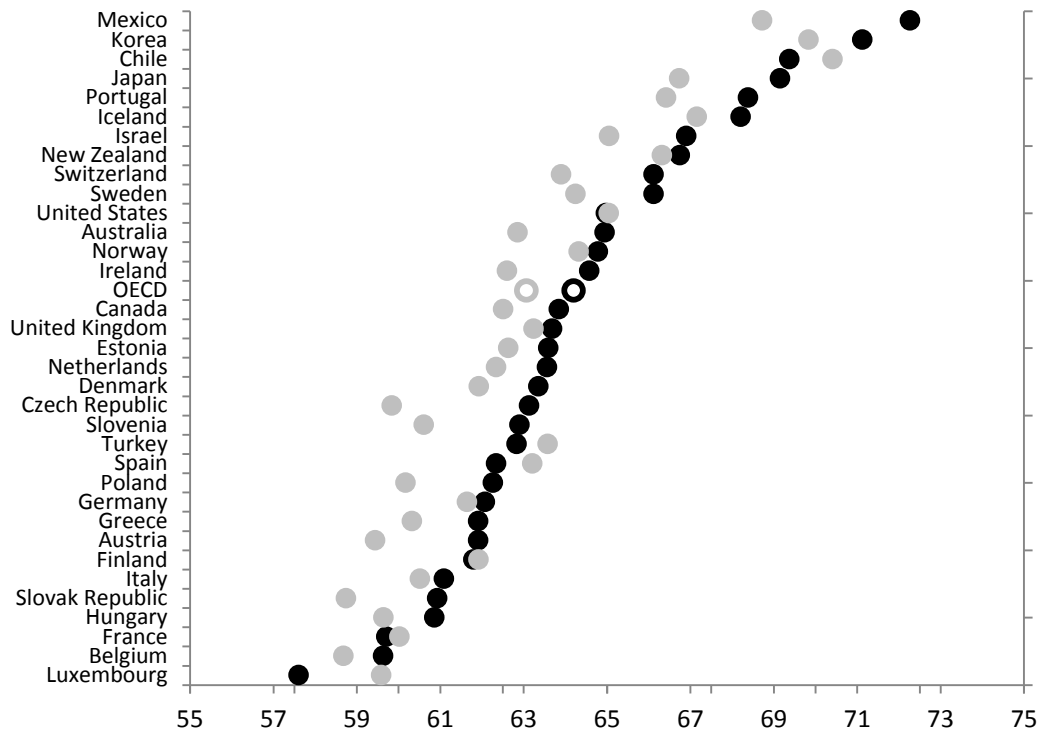
**Poverty rates among the aged 66 and above in 2010,**  
percentage with less than 50% of median equivalised household disposable income



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

**The labour market exit age is low, especially for men where it is the lowest among OECD countries.** Early retirement is possible from the age of 57 given 40 years of (compulsory or voluntary) contributions. The average labour market exit age is currently 57.6 years for men and 59.6 years for women. This is well below the OECD average at 64.2 and 63.1 years, respectively. At the same time life expectancy is slightly higher than the OECD average.

**Average labour market exit age for men (black) and women (grey) in 2012**



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

### Key indicators

		Luxembourg	OECD
Gross replacement rate	Average earner (%)	56.4	54.4
	Low earner (%)	77.7	71.0
Public pension spending	% of GDP	7.7	7.8
Life expectancy	at birth	80.4	79.9
	at age 65	19.2	19.1
Population aged 65 and over	% of working-age population	22.6	25.5
Average worker earnings (AW)	EUR	51 300	32 400

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

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

OECD  
2 rue André Pascal  
Paris 75775 Cedex 16  
France

For further information, please contact

OECD media relations                      Spencer Wilson                      [spencer.wilson@oecd.org](mailto:spencer.wilson@oecd.org)                      + 33 1 45 24 81 18

OECD Social Policy Division              Kristoffer Lundberg                      [kristoffer.lundberg@oecd.org](mailto:kristoffer.lundberg@oecd.org)                      + 33 1 45 24 14 88

[www.oecd.org/pensions/pensionsataglance.htm](http://www.oecd.org/pensions/pensionsataglance.htm)

