

# Pensions at a Glance 2023



# Argentina

## Argentina: Pension system in 2022

The pension system has two main components: a basic component and an additional social insurance component. For those aged 65 and above there is also an additional age-related social insurance component, as well as a social assistance component.

### Key indicators: Argentina

		Argentina	OECD
Average worker earnings (AW)	ARS	839 544	5 389 366
	USD	6 428	41 261
Public pension spending	% of GDP		7.7
Life expectancy	at birth	76.1	80.7
	at age 65	81.9	84.6
Population over age 65	% of working-age population	20.8	31.3

## Qualifying conditions

Retirement age for the basic pension is 65 for men and 60 for women with at least 30 years of service. To meet the contribution qualifying condition, the insured may substitute two years of age after the retirement age for one year of missing contributions.

Additional pension (social insurance): Age 65 (men) or age 60 (women) with at least 30 years of service.

Non-contributory old-age pension (social assistance): Needy persons aged 65 or older residing in Argentina.

## Benefit calculation

### *Old-age pension*

The average monthly pension was ARS 19 832 in 2022.

### *Additional pension (social insurance)*

The pension is 1.5% of the insured's average adjusted earnings in the last ten years (weighted average adjusted amounts for all periods for self-employed persons) multiplied by the number of years of service, to a maximum of 35 years.

### *Advanced-age old-age pension*

The monthly pension is 70% of the basic old-age pension, plus the additional pension.

The combined minimum monthly old-age pension (the sum of all contributory pensions) was ARS 43 353.

The maximum monthly old-age pension (sum of the basic and social insurance pensions) was ARS 291 721.

Pensions are paid monthly with a 13<sup>th</sup> payment equal to the regular monthly payment divided in half and paid in June and December.

***Non-contributory old-age pension (social assistance)***

The monthly payment is 80% of the minimum pension.

***Valorisation and indexation***

Benefits are adjusted automatically in March, June, September and December based on 50% from changes in the evolution of salaries and 50% from tax resources (adjusted by the number of pension benefits).

**Personal income tax and social security contributions**

***Taxation of pensioners***

There are no special tax allowances or credits for pensioners.

Tax will be charged the same way as labour income, but with an allowance of eight minimum salaries.

***Taxation of pension income***

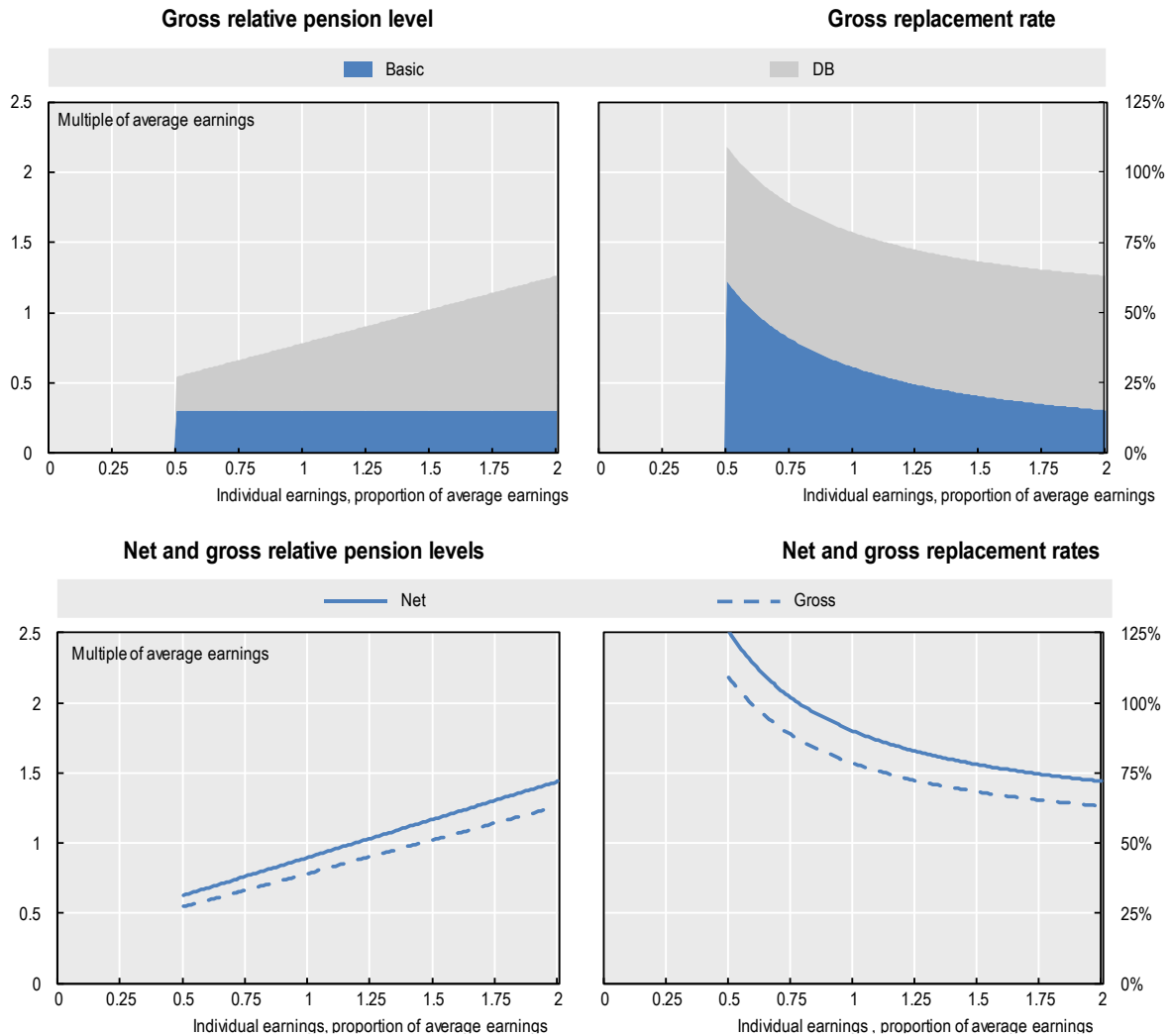
Pensions are not taxed.

***Social security contributions paid by pensioners***

Old-age pension beneficiaries do not pay social security contributions, except for the deductions for the PAMI Social Welfare Fund (which is 3% for the amount of the minimum benefit and 6% for the amount exceeding such amount). Active retirees (i.e. they are working) contribute 11% to the national employment fund.

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### Pension modelling results: Argentina in 2065 retirement at age 65 (men)



Men Women (where different)	Individual earnings, multiple of average					
	0.5	0.75	1	1.5	2	3
Gross relative pension level	54.6	66.5	78.5	102.4	126.3	174.2
(% average gross earnings)	51.7	63.7	75.6	99.6	123.5	171.3
Net relative pension level	62.8	76.4	89.9	117.0	144.1	198.3
(% net average earnings)	59.6	73.2	86.7	113.8	140.9	195.1
Gross replacement rate	109.1	88.7	78.5	68.3	63.2	58.1
(% individual gross earnings)	103.5	84.9	75.6	66.4	61.7	57.1
Net replacement rate	125.7	101.8	89.9	78.0	72.1	68.9
(% individual net earnings)	119.2	97.5	86.7	75.9	70.4	67.8
Gross pension wealth	21.4	17.4	15.4	13.4	12.4	11.4
(multiple of individual gross earnings)	26.9	22.1	19.7	17.3	16.1	14.9
Net pension wealth	24.6	19.9	17.6	15.3	14.1	13.5
(multiple of individual net earnings)	31.0	25.4	22.6	19.8	18.3	17.7

Assumptions: Real rate of return 2.5%, real earnings growth 1.25%, inflation 2%, and real discount rate 1.5%. All systems are modelled and indexed according to what is legislated. Transitional rules apply where relevant. DC conversion rate equals 90%. Labour market entry occurs at age 22 in 2022. Tax system latest available: 2022.