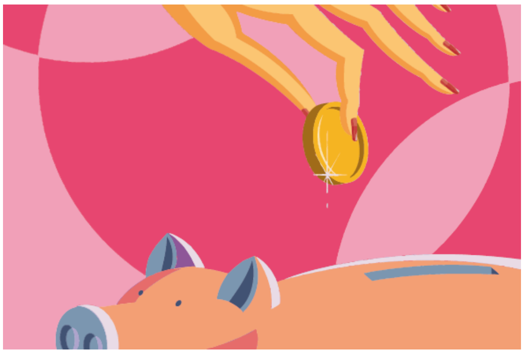


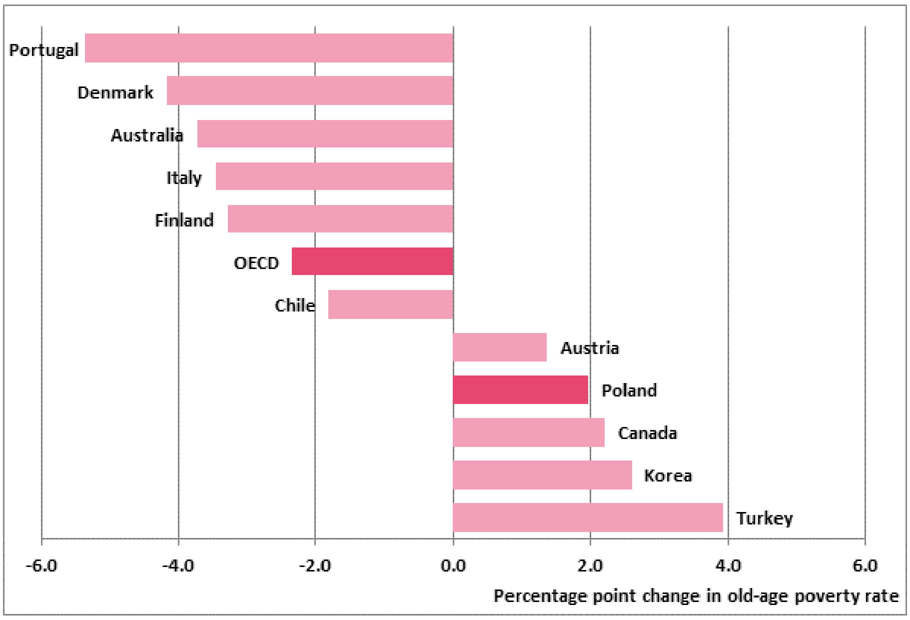
Pensions at a Glance 2013
OECD and G20 Indicators

POLAND

- **Old-age poverty increased in Poland in the second half of the last decade in contrast to the majority of OECD countries.**
- **Future pension expenditure is forecast to decrease as a share of GDP in only three OECD countries over the next 40 years with Poland having the largest decline.**

Old-age poverty has increased in recent years. People aged 65 and over had, on average, an income equivalent to 87.5% of that of the total population in 2010, decreasing from the mid-2000s level, and just above the OECD average of 86.2%. The overall poverty rate for the elderly rose from 7.7% in 2007 to 9.7% in 2010. The increase is twice as high for those aged 66 to 75 compared to those aged over 75, at 2.6 and 1.3 percentage points, respectively. Across the OECD as a whole the poverty rate for the over 65s fell by 2.3 percentage points over the same time period. With recent reforms also leading to a decline in future replacement rates for full career workers the issue of pensioner poverty needs to be monitored closely and addressed as needed.

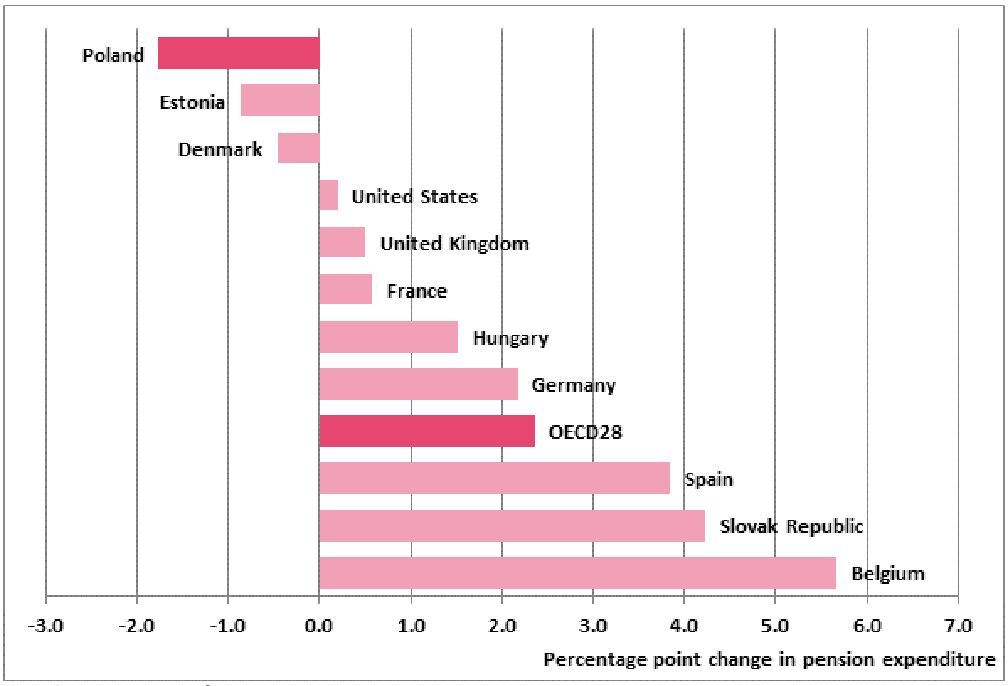
Change in old-age income poverty rates 2007-2010



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

Pension spending is predicted to decline by 1.8% of GDP over the next 40 years. The retirement age will be increasing from 65 to 67 for men between 2013 and 2020 and from 60 to 67 for women between 2013 and 2040. The level of contribution to the defined contribution component of the pension scheme was first reduced in May 2011 and each contributor can now choose to allocate the remaining part either to the Social Security Fund (ZUS) or the individual account, which might reduce replacement rates if net market returns are high. Public pension expenditure is forecast to fall from 11.8% of GDP in 2010 to about 10% by 2050. This lower fiscal pressure is primarily due to the projected declines in replacement rates and the planned increase in retirement age, which in total would outweigh the rise in the dependency ratio. However, the latest reforms, which are not included in the projections, may reverse part of this trend. Only two other OECD countries are projected to record a decrease in expenditure over this period, with the average for the OECD showing an increase of 2.4% of GDP. Whilst Poland would appear to have dealt with the sustainability issue adequacy concerns will become increasingly pressing.

Change in pension expenditure 2010-2050 as percentage of GDP



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

Key indicators

		Poland	OECD
Gross replacement rate	Average earner (%)	48.8	54.4
	Low earner (%)	49.3	71.0
Public spending on pensions	% GDP	11.8	7.8
Life expectancy	At birth	76.3	79.9
	At age 65	17.1	19.1
Population aged 65	% of working-age population	21.6	25.5
Average earnings	PLN	38 900	132 100

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.

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