

## NOTES TO OECD 'PENSION METADATA SHEET'

- *The OECD Pension Metadata Sheet aims to provide a clear and concise overview of the content of the columns in the table on social insurance pension schemes, regarding their coverage and assumptions used in the calculation of their main results. A separate sheet is used for each column. If a column is not relevant in a country, it is requested to explicitly mention so in the relevant sheet.*
- *Relevant additional information (e.g. more detailed descriptions) could be provided as an annex to or as links within the sheets.*
- *Countries are requested to provide the metadata sheet together with the transmission of the data for the table on social insurance pension schemes.*
- *The Metadata Sheet should be updated when changes occur in national pension systems or in the compilation of the results for the table on social insurance pension schemes.*
- *The metadata provided should be publishable on the OECD website*

## TABLE 2900 - METADATA SHEET

*Mexico*

*July 2020*

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## 1. Column A: Defined contribution schemes managed by non-general government

1. General description of schemes covered and information on calculations	
<i>a. Coverage of the column</i>	
<p>Includes Defined Contribution schemes for private sector workers (Mexican Social Security Institute, known in Spanish as <i>IMSS</i>). These records come from the reformed system based on individual accounts. These contributions correspond to the occupational or personal pension plans (Defined Contributions, both completely funded).</p> <p>The stock of pension rights amounts to \$ 2,194.1 billion pesos on 2015, representing the 11.8 as percentage of the Gross Domestic Product (GDP). Changes in Pension Rights derived from Social Contributions and Pension Benefits represent 0.9 as percentage of the GDP.</p> <p>This segment of the pension system covers an important part of the workers in exception of those who maintains its contributions to IMSS (1997 Social Security Law) and the Institute of Security and Social Services of State Workers <i>ISSSTE</i> (2008 Social Security Law, 10° Transitory Article). The rational expectation is to impulse the amount of contributions.</p>	
<i>b. Information on calculations</i>	
<i>Data sources</i>	Financial statements and other statistical data consulted in pension administrators and regulators. Statistical information - National Commission of the Retirement Savings System (CONSAR). Statistical information - National Insurance and Bonding Commission (CNSF). National Accounts Statistics - National Institute of Statistics and Geography (INEGI).
2. Any other comments	
<p>In general, the methodology consists of the interpretation of National Accounts, financial statements of pension plans and other statistical information related to pensions, concepts and structure of Social Insurance Pension Scheme's Table.</p>	

## 2. Column B: Defined benefit schemes managed by non-general government

1. General description of schemes covered and information on calculations	
<i>a. Coverage of the column</i>	
<p>These columns represent the Defined Benefit Schemes for workers in the financial sector and non-financial public and private corporations. The basis of these estimates are actuarial projections made primarily with the Projected Benefit Obligation Method (PBO).</p> <p>The research allows us to know that the discount rate applied in the model-based actuarial estimates varies significantly between public and private companies and the type of benefits granted by pension schemes. For example, while a public corporation applies a discount rate of 8%, a private corporation uses more conservative nominal rates, usually 6%.</p> <p>These benefits respond to Public Pension Plans with public management (Defined Benefit and Defined or Notional Contribution). And Occupational or Personal Pension Plans (Defined Benefit, Partially Defined Contribution or Fully financed).</p> <p>The stock of pension rights amounts to \$ 2,071.2 billion pesos on 2015. Changes in Pension Rights derived from Social Contributions and Pension Benefits represent 0.3 as percentage of the Gross Domestic Product (GDP).</p>	
<i>b. Information on calculations</i>	
<i>Data sources</i>	Financial statements of the parastatal sector. Development Banking, Energy Sector (Federal Electricity Commission "CFE", State Company Petróleos Mexicanos "PEMEX"). National Institute of Statistics and Geography (INEGI) Financial asset. AF.64 Claims on pension funds on pension managers (Financial Statements of private companies of Direct and Indirect Control).
<i>Discount rate (%)</i>	The discount rate applied in the actuarial estimating model varies significantly between public and private companies and the type of benefits granted by pension schemes.
<i>Wage growth assumption</i>	The valuation method used to calculate the technical provision is the Projected Benefit Obligation Method (PBO).
2. Any other comments	

### 3. Column C: Total social insurance pension schemes managed by non-general government

(Only to be completed if no separate information is available for columns A and B)

1. General description of schemes covered and information on calculations	
<i>a. Coverage of the column</i>	
<p>Includes Defined Contribution and Defined Benefit Schemes for private sector workers. These records come from the reformed system based on individual accounts. These contributions correspond to the occupational or personal pension plans (Defined Contributions, both completely funded).</p> <p>The stock of pension rights amounts to \$ 4,265.3 billion pesos on 2015, representing the 22.9 as percentage of the GDP. Changes in Pension Rights derived from Social Contributions and Pension Benefits represent 1.2 as percentage of the GDP.</p>	
<i>b. Information on calculations</i>	
<i>Data sources</i>	Financial statements and other statistical data consulted in pension administrators and regulators (mentioned above in column A and B).
<i>Discount rate (%)</i>	
<i>Discount rate (info)</i>	
<i>Wage growth assumption</i>	
<i>Demographic assumptions</i>	
2. Any other comments	
<p>In general, the methodology consists of the interpretation of National Accounts, financial statements of pension plans and other statistical information related to pensions, concepts and structure of Social Insurance Pension Scheme's Table.</p>	

#### 4. Column D: Defined contribution schemes managed by general government

1. General description of schemes covered and information on calculations	
<i>a. Coverage of the column</i>	
<p>Includes Defined Contribution schemes for public sector workers (Institute of Security and Social Services of State Workers, known in Spanish as ISSSTE). These records come from the reformed system based on individual accounts. These contributions correspond to the occupational or personal pension plans (Defined Contributions, both completely funded).</p> <p>Pension rights amount to \$ 460.1 billion pesos on 2015, representing the 2.4 as percentage of the GDP. Changes in Pension Rights derived from Social Contributions and Pension Benefits represent 0.22 as percentage of the GDP.</p> <p>This segment of the pension system covers an important part of the workers in exception of those who maintains its contributions to IMSS (1997 Social Security Law) and the Institute of Security and Social Services of State Workers <i>ISSSTE</i> (2008 Social Security Law, 10° Transitory Article). The rational expectation is to impulse the amount of contributions.</p>	
<i>b. Information on calculations</i>	
<i>Data sources</i>	<p>Financial statements and other statistical data consulted in pension administrators and regulators.</p> <p>Statistical information - National Commission of the Retirement Savings System (CONSAR).</p> <p>Statistical information - National Insurance and Bonding Commission (CNSF).</p> <p>National accounts statistics - National Institute of Statistics and Geography (INEGI).</p>
2. Any other comments	
<p>In general, the methodology consists of the interpretation of National Accounts, financial statements of pension plans and other statistical information related to pensions, concepts and structure of Social Insurance Pension Scheme's Table.</p> <p>Specifically, the calculation of D.8 for this column, it is important to mention that they are classified as Provisional (P) because the methodological improvement of the inputs that make up the corresponding calculation continues. Change in pension entitlements due to social contributions and pension benefits (D8): Row 5 shows the changes to pension entitlements due to net (actual and imputed) social contributions and pension benefits. It is equal to the sum of rows 2 and 3 minus row 4.</p>	

## 5. Column E: Defined benefit schemes for government employees, managed by general government and administered by an autonomous pension fund

1. General description of schemes covered and information on calculations	
<i>a. Coverage of the column</i>	
This pension scheme does not apply in Mexico.	
<i>b. Information on calculations</i>	
<i>Data sources</i>	
<i>Discount rate (%)</i>	
<i>Discount rate (info)</i>	
<i>Wage growth assumption</i>	
<i>Demographic assumptions</i>	
2. Any other comments	

## 6. Column F: Defined benefit schemes for government employees, managed and administered by general government

1. General description of schemes covered and information on calculations	
<i>a. Coverage of the column</i>	
This pension scheme does not apply in Mexico.	
<i>b. Information on calculations</i>	
<i>Data sources</i>	
<i>Discount rate (%)</i>	
<i>Discount rate (info)</i>	
<i>Wage growth assumption</i>	
<i>Demographic assumptions</i>	
2. Any other comments	



**7. Column G: Defined benefit schemes for government employees, managed and administered by general government, for which liabilities are not included in the central framework of the SNA**

<b>1. General description of schemes covered and information on calculations</b>	
<i>a. Coverage of the column</i>	
Work continues on the collection of information.	
<i>b. Information on calculations</i>	
<i>Data sources</i>	
<i>Discount rate (%)</i>	
<i>Discount rate (info)</i>	
<i>Wage growth assumption</i>	
<i>Demographic assumptions</i>	
<b>2. Any other comments</b>	

## 8. Column H: Social security pension schemes

1. General description of scheme(s) covered and information on calculations	
<i>a. Coverage of the column</i>	
<p>Registers the Defined Benefit Pension Schemes installed in social security funds. The effective social contributions of the employer and households are in the National Accounts. For purpose of this exercise, the rest of the transactions are out.</p> <p>These category corresponds to public pension schemes with public management (Defined Benefit, Defined or Notional Contribution). The basis of these estimates are actuarial projections made primarily with the Projected Benefit Obligation Method (PBO) and data sources are appropriate estimates made by social security funds. In the segment of private sector workers, the discount rate used in actuarial estimates it's on 6% while in the social security pension scheme it's on 3%.</p> <p>The estimate of the stock of social security pension plans amounts to 8.7% of GDP, Reduction in pension entitlements due to payment of pension benefits accounted for 1.40%, while movements in pension rights due to other changes in volume represent 0.44 % in percentages of GDP.</p> <p>In this sense, it is important to mention that workers with possibilities of choosing the Defined Benefit scheme are limited, and the expectation is a decreasing trend in the future, because more and more people are joining the new account system. individual or that is the same as Defined Contribution.</p>	
<i>b. Information on calculations</i>	
<i>Data sources</i>	Federal Government Report / Pensioners (Mexican Social Security Institute "IMSS" and Institute of Security and Social Services of State Workers "ISSSTE") Other statistical data consulted in pension administrators and regulators. National Commission of the Retirement Savings System (CONSAR) <ul style="list-style-type: none"> <li>• <i>Afores</i> commissions.</li> <li>• <i>Afores</i> yields.</li> </ul>
<i>Discount rate (%)</i>	The discount rate used in actuarial estimates is 6% while in the social security pension scheme it is 3%.
<i>Wage growth assumption</i>	Actuarial estimates are based on the accrued benefit obligation (ABO) method.
<i>Demographic assumptions</i>	
2. Any other comments	
<p>Specifically, the calculation of D.8 for this column, it is important to mention that they are classified as Provisional (P) because the methodological improvement of the inputs that make up the corresponding calculation continues. Change in pension entitlements due to social contributions and pension benefits (D8): Row 5 shows the changes to pension entitlements due to net (actual and imputed) social contributions and pension benefits. It is equal to the sum of rows 2 and 3 minus row 4.</p>	

## 9. Columns J and K: Counterparts of domestic social insurance pension liabilities (i.e. relating to resident or non-resident households)

<b>1. General description</b>
<i>Allocation to counterpart sector</i>
<p>The total pension plans in column I show that pension rights for Mexico amount to 34.1 as percentage of GDP on 2015. Changes in pension rights due to social contributions and pension benefits represent 1.2 as percentage too.</p> <p>These same amounts are the pension plans that the domestic residents represent, since a transaction relationship with the rest of the world is not presented within the framework of the National Accounts of Mexico.</p>
<b>2. Any other comments</b>

## 10. Column L: Social insurance pension entitlements of resident households with regard to the rest-of-the-world

1. General description	
<i>Information on calculations</i>	
<i>Data sources/methods</i>	This pension scheme does not apply in Mexico.
<i>Discount rate (%)</i>	
<i>Discount rate (info)</i>	
<i>Wage growth assumption</i>	
<i>Demographic assumptions</i>	
2. Any other comments	

## 11. Links to (national) publications providing further information on the pension schemes

Comisión Nacional del Sistema de Ahorro para el Retiro (CONSAR) (2015). Diagnóstico del Sistema de Pensiones, SHCP, México.

<https://www.gob.mx/consar/documentos/diagnostico-del-sistema-de-pensiones>

Cuenta Pública 2015, Análisis del Ejercicio del Presupuesto de Egresos de la Secretaría de Desarrollo Social, SHCP, México.

<https://www.cuentapublica.hacienda.gob.mx/work/models/CP/2015/tomo/III/R20.03.AEPE.pdf>

Instituto Mexicano del Seguro Social (2015) Informe Financiero y Actuarial, México.

<http://www.imss.gob.mx/conoce-al-imss/informe-financiero-actuarial>

Indicadores financieros por AFORE al cierre de 2015 (CONSAR)

<https://www.gob.mx/consar/prensa/indicadores-financieros-por-afore-al-cierre-de-2015>

Información financiera y Estados Financieros 2015 (CNSF)

<https://www.cnsf.gob.mx/EntidadesSupervisadas/InstitucionesSociedadesMutualistas/Paginas/informacionfinanciera.aspx>

Recursos registrados en las Afores (CONSAR)

<https://www.consar.gob.mx/gobmx/aplicativo/siset/Series.aspx?cd=59&cdAlt=False>

Instituto de Seguridad y Servicios Sociales de los Trabajadores del Estado (2015) Valuación Financiera y Actuarial

<https://www.gob.mx/issste/documentos/valuacion-financiera-y-actuarial>

Instituto de Seguridad y Servicios Sociales de los Trabajadores del Estado (2015) Informe Financiero Actuarial

<https://www.gob.mx/issste/documentos/informe-financiero-y-actuarial-ifa>