

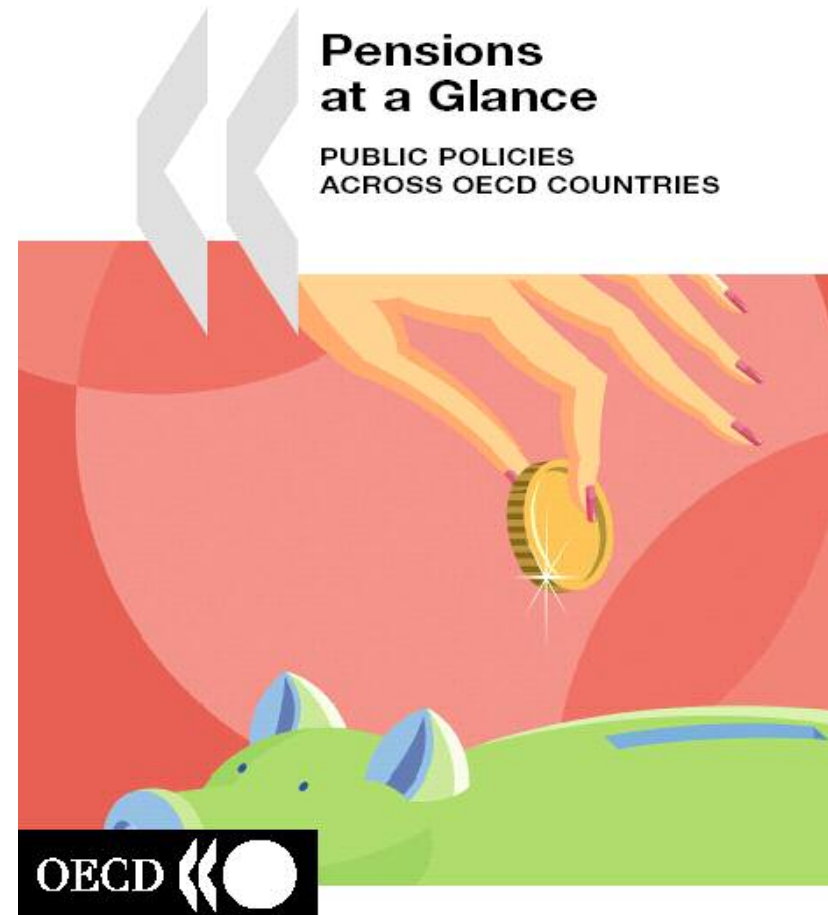
Pensions at a Glance

Monika Queisser

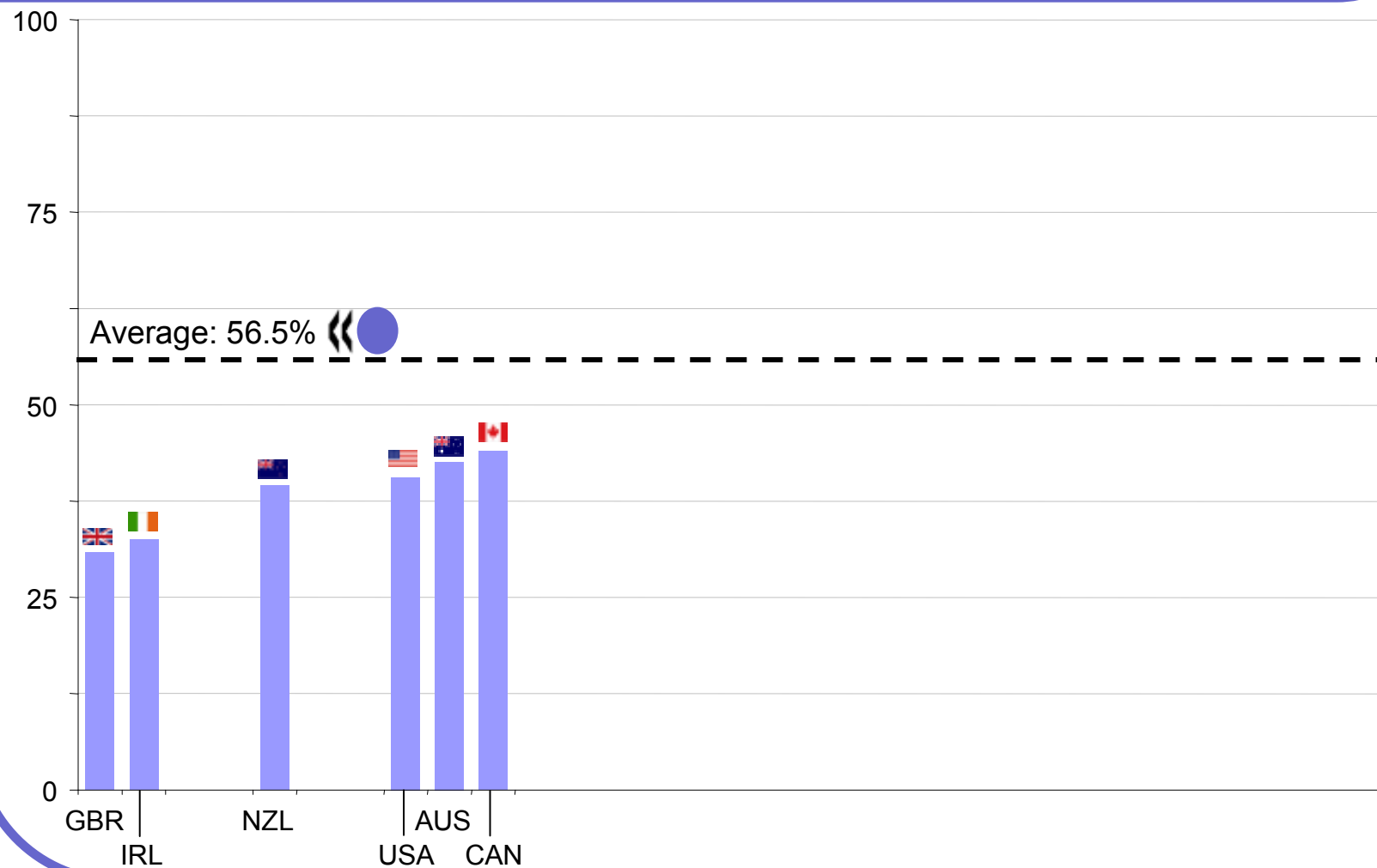
OECD/IOPS Conference on Private Pensions
Istanbul, November 2006

Comparing pension systems

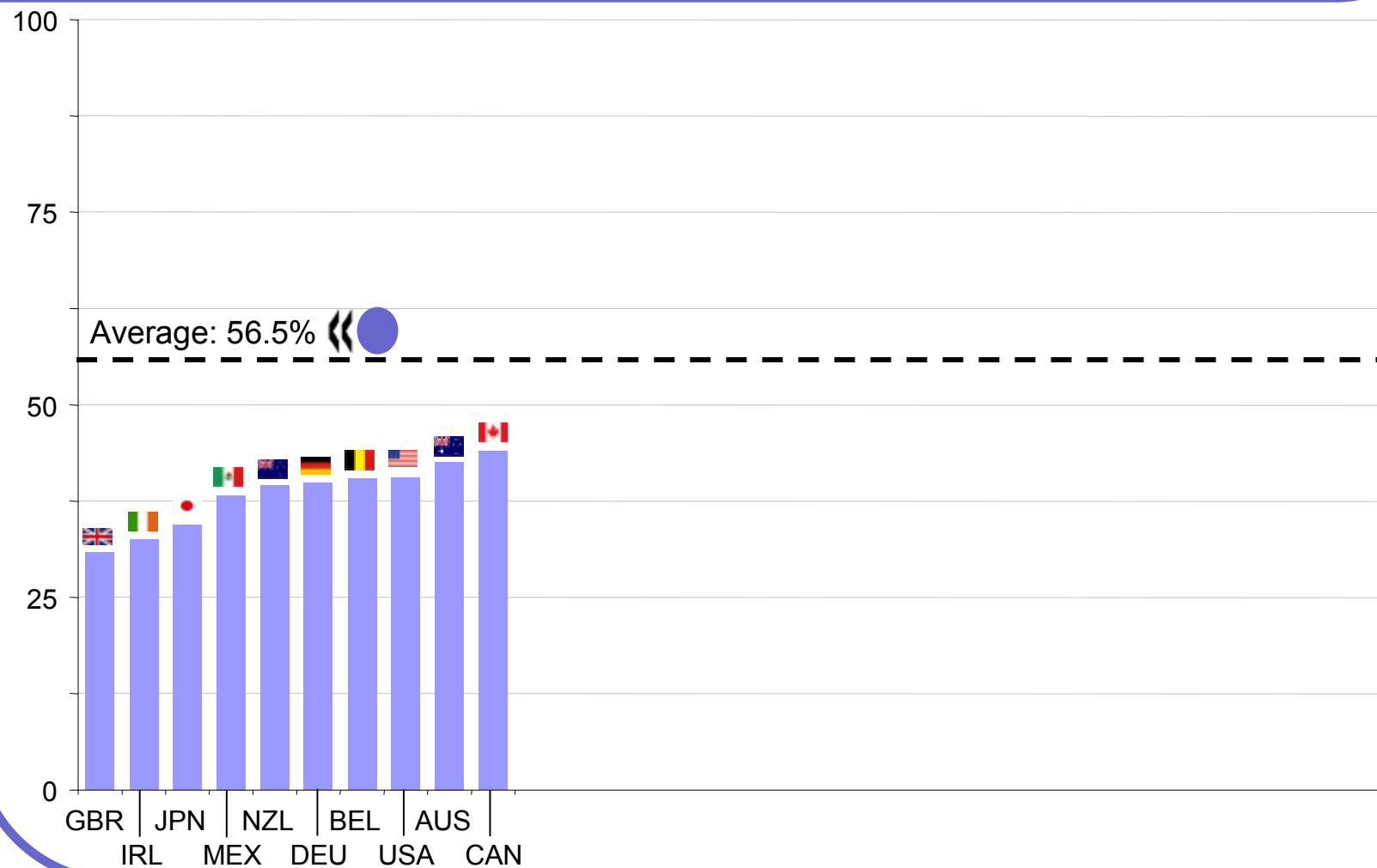
- All mandatory pensions
- Includes personal income tax and social security contributions
- Full-career workers
- Across the earnings distribution
- All currently legislated reforms fully in place



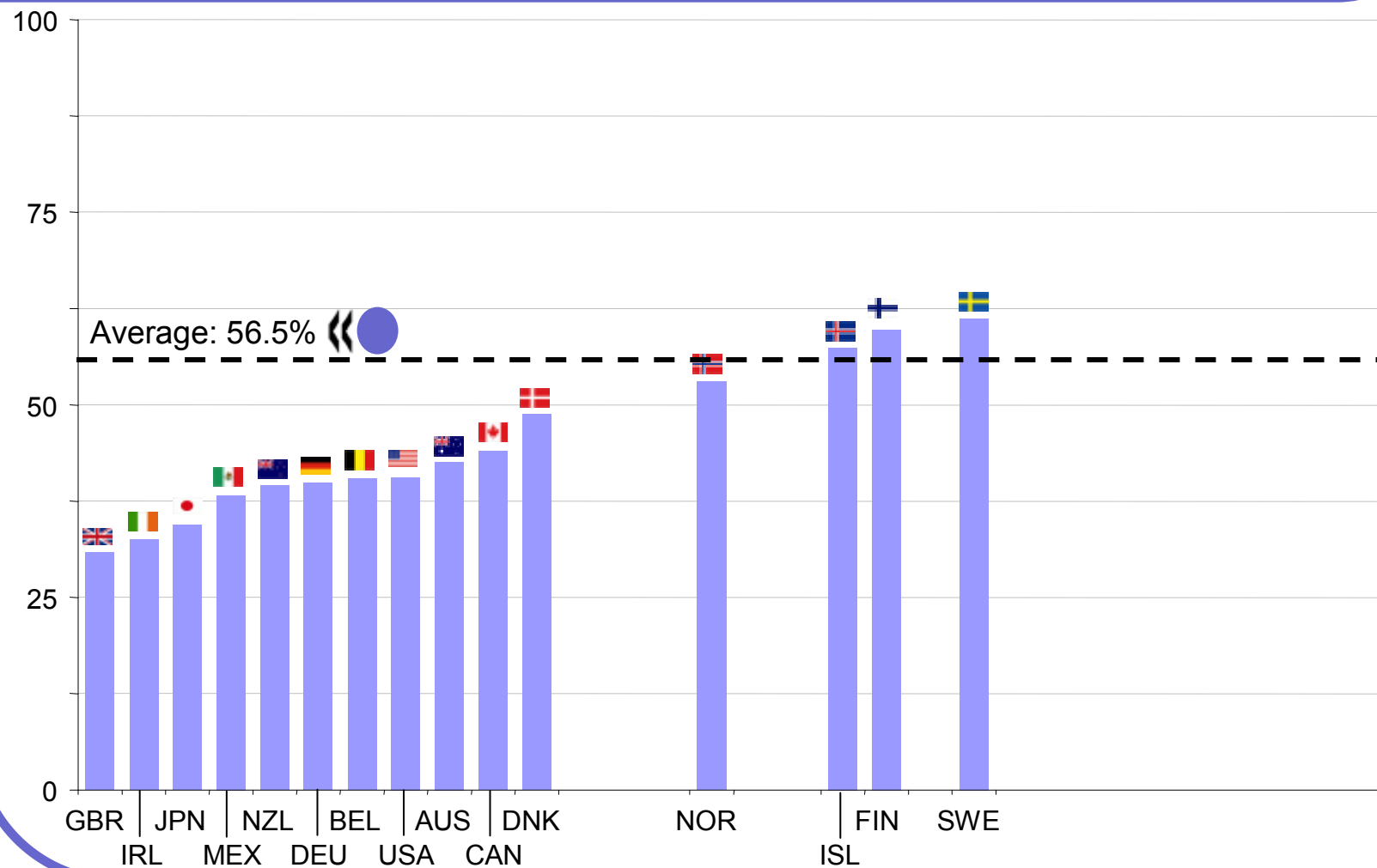
Gross replacement rate, average earner



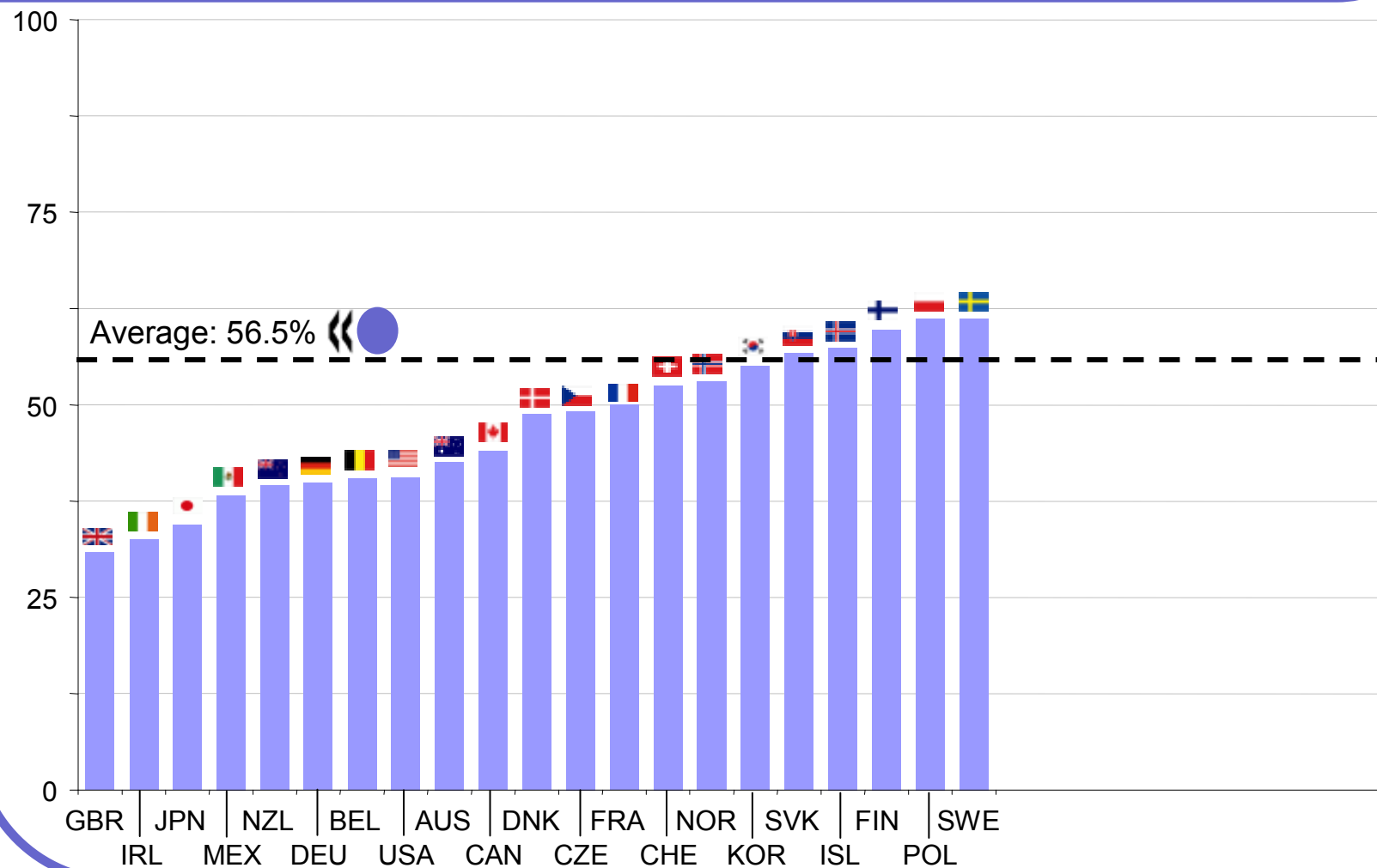
Gross replacement rate, average earner



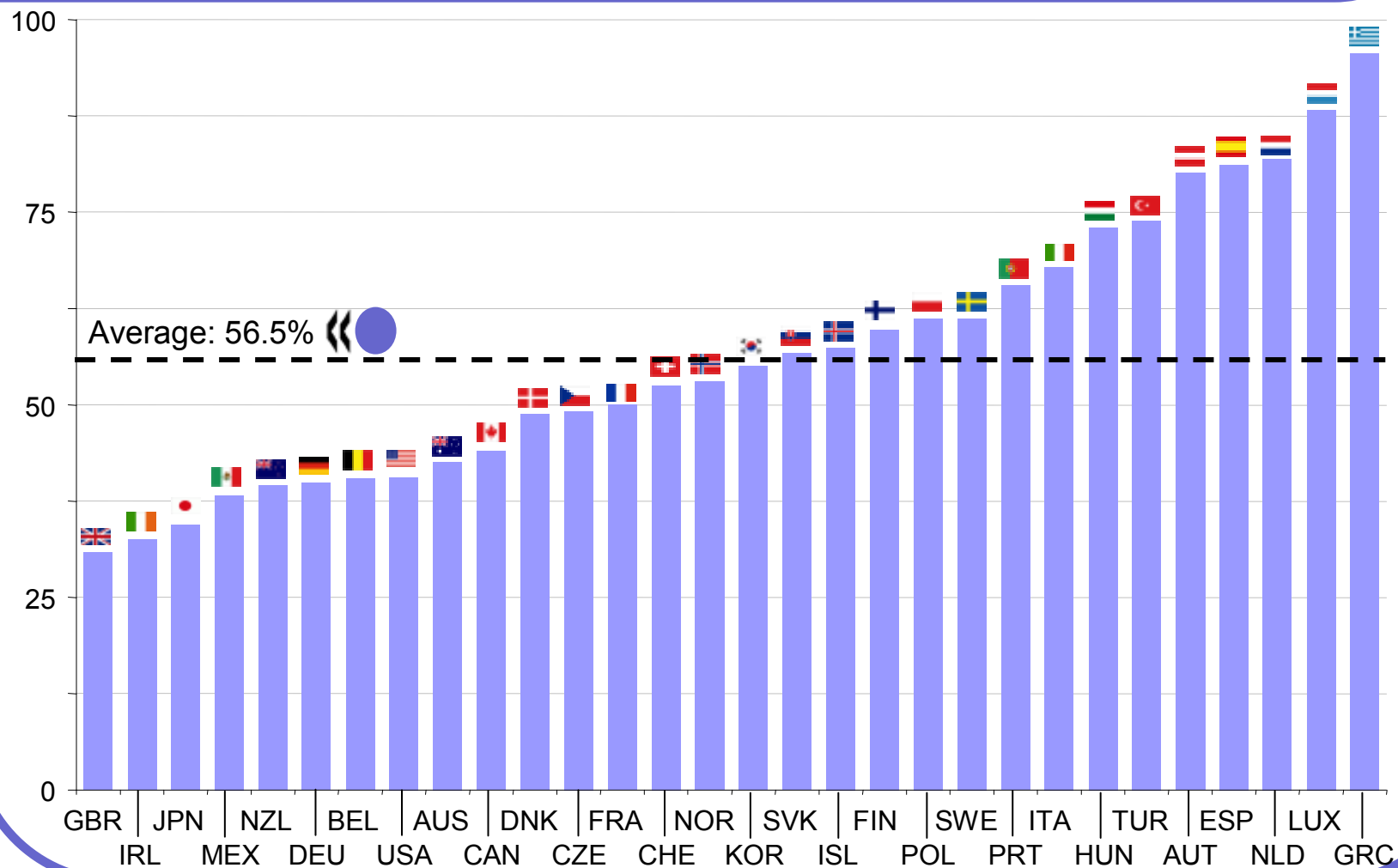
Gross replacement rate, average earner



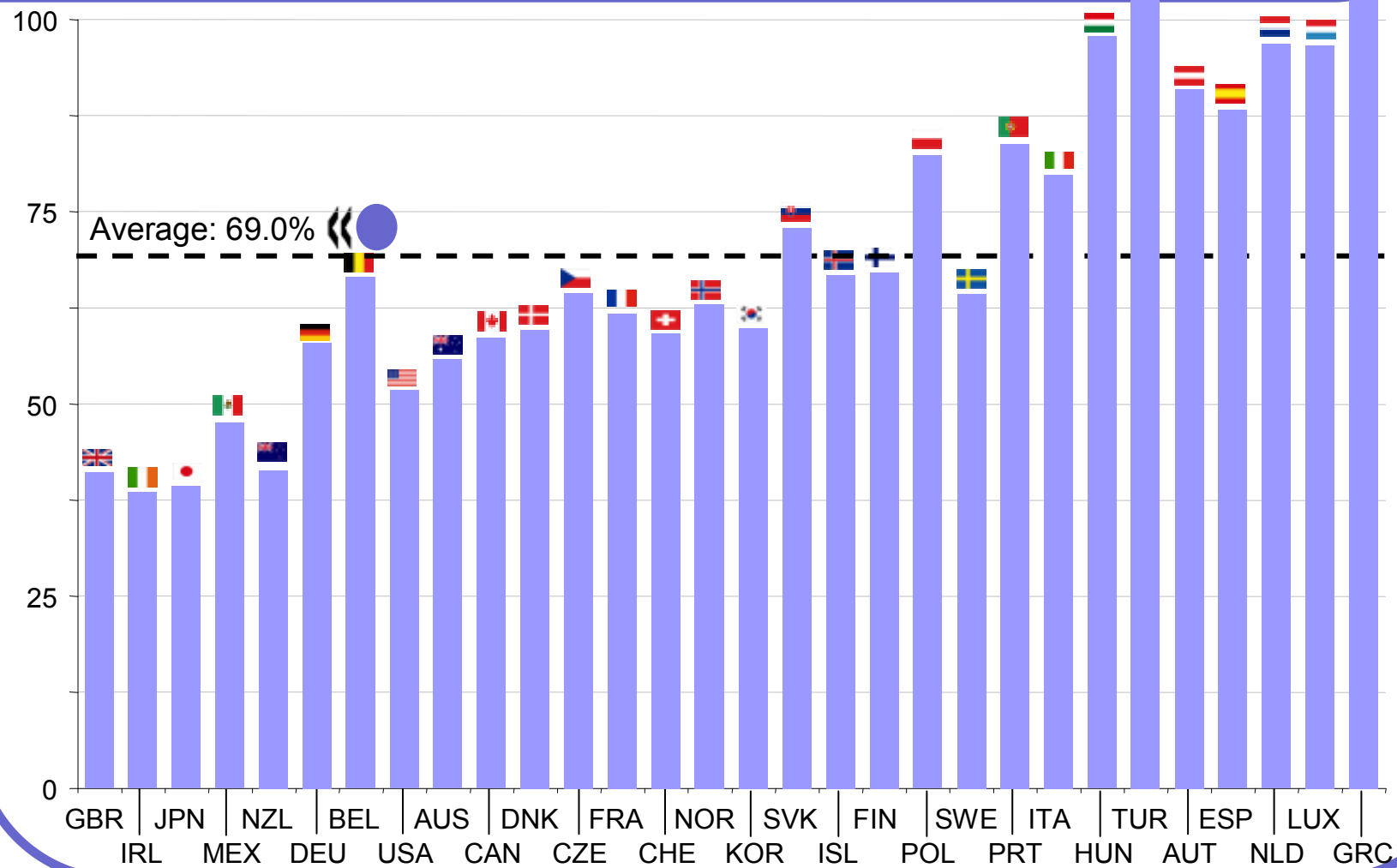
Gross replacement rate, average earner



Gross replacement rate, average earner



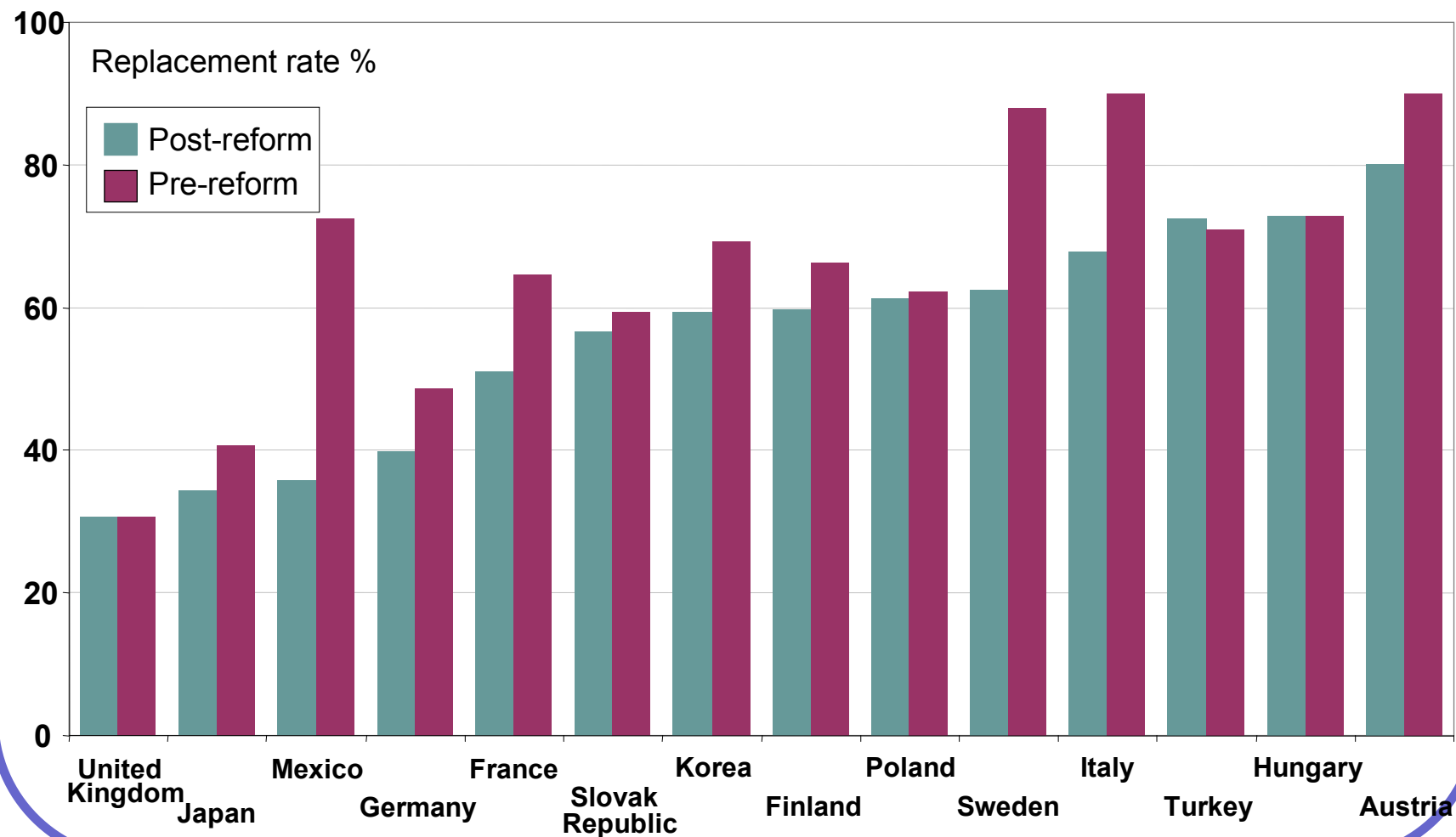
Net replacement rate, average earner



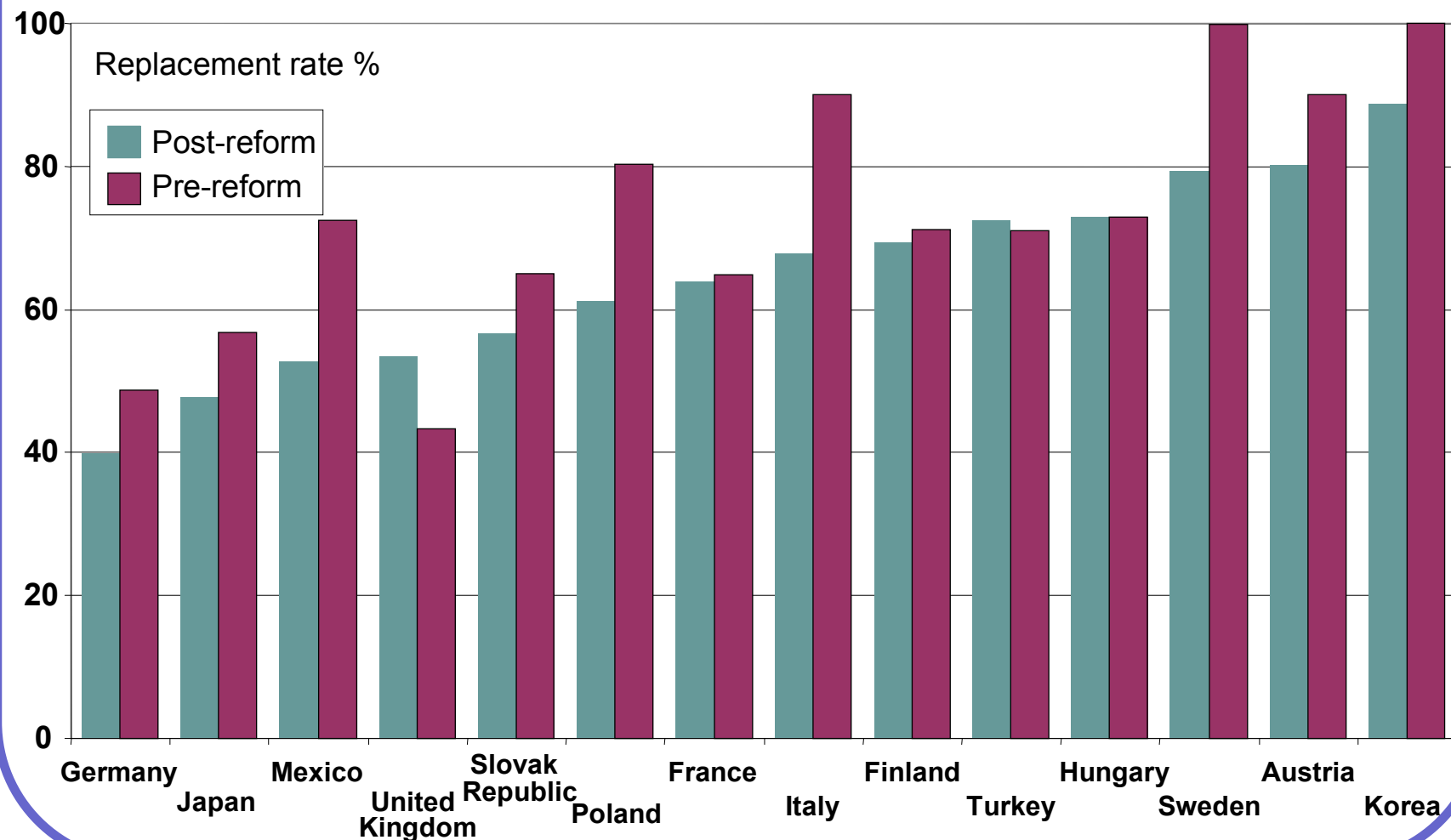
Main elements of pension reforms

- Higher pension eligibility age
 - for men and women (11 countries; e.g. Italy, US)
 - or for women alone (6 countries; e.g. Australia, UK)
- Improved incentives to delay retirement
 - 10 countries; e.g. France, Germany, Italy, UK, US
- Tighter qualifying conditions for retirement
 - 9 countries; e.g. France, Italy
- Links to life expectancy or financial sustainability
 - in earnings-related schemes (Germany, Japan)
 - in qualifying conditions (France)
 - through notional accounts (Italy, Poland, Sweden)
 - through defined-contribution schemes (Australia, Hungary, Mexico, Poland, Slovakia, Sweden)
- Direct cuts in generosity rare
 - lower accrual rates (Austria, Japan)

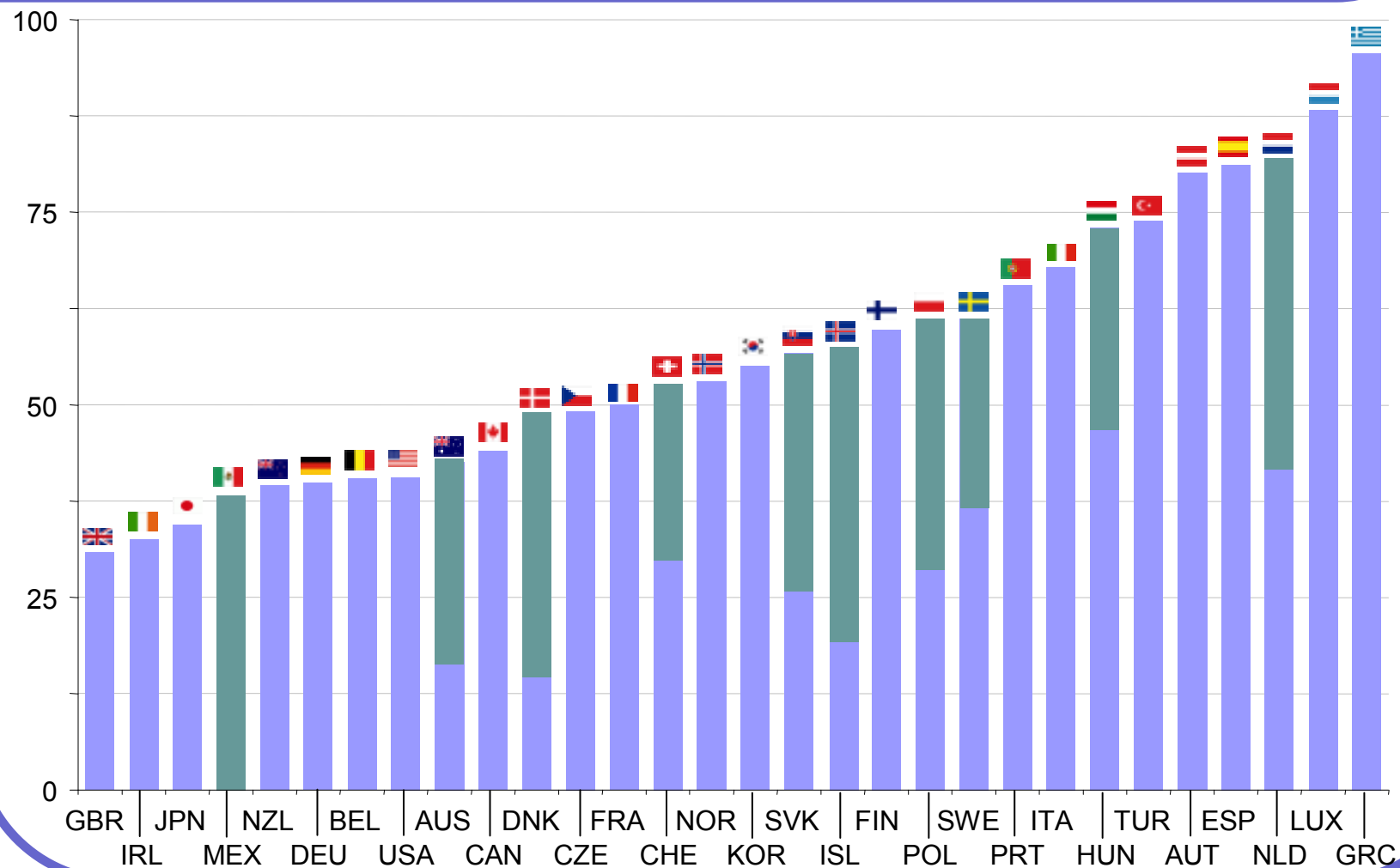
Gross replacement rate, average earner



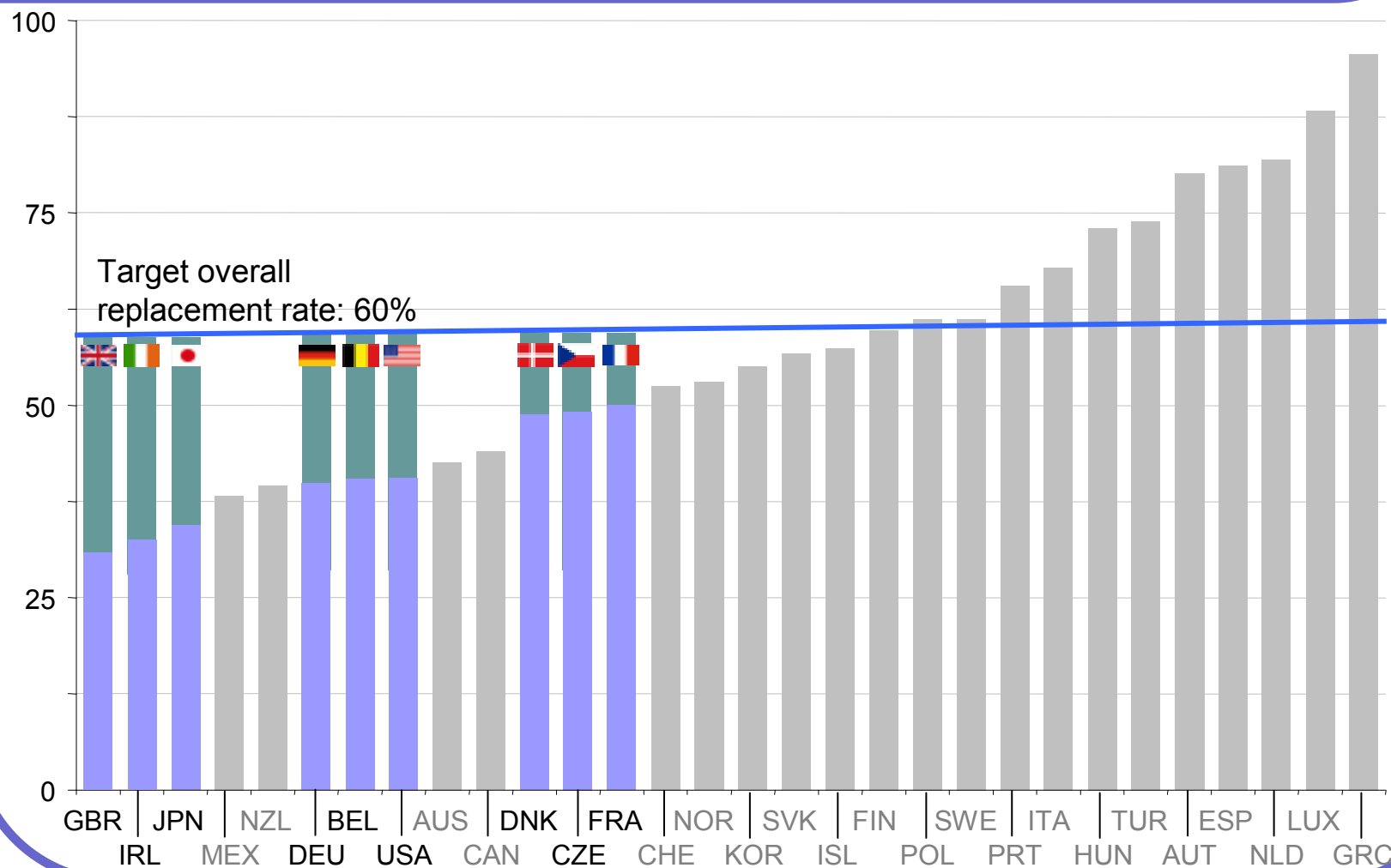
Gross replacement rate, low earner



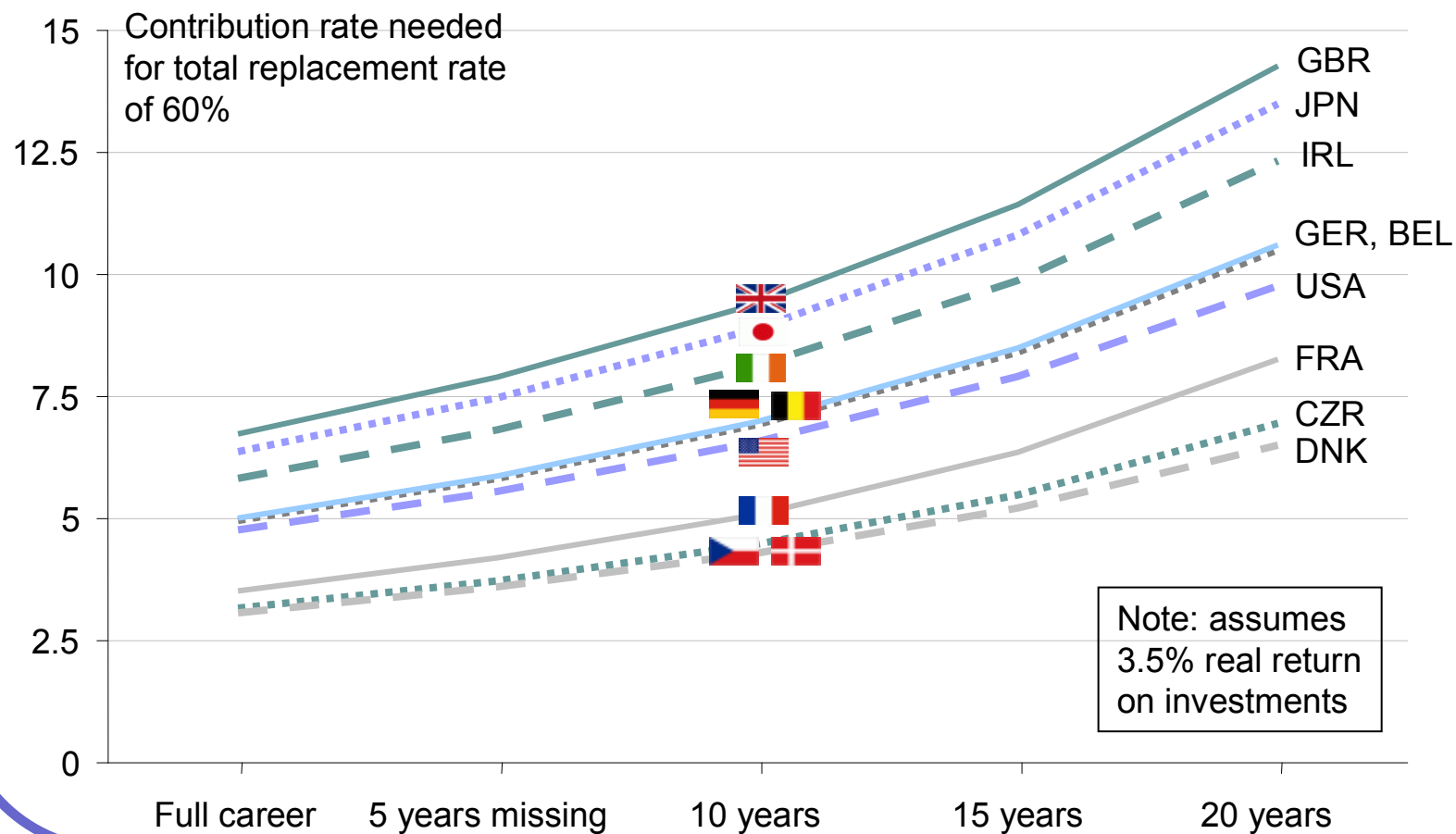
Role of mandatory private pensions



Pension savings gaps



Filling the pension gap



Policy implications

- Benefit cuts have been substantial
- Voluntary pensions have to fill the gap
- Level of savings not so much the problem, coverage/density is
- Increased old-age poverty risk means role of minimum pensions will be much more important

Contact information

- Monika Queisser
 - +33 1 45 24 96 34
 - monika.queisser@oecd.org
- ELS/SPD
OECD
2 rue Andre Pascal
Paris 75775
France
- Internet: www.oecd.org/ageing