Guide to the country profiles

The country profiles use a common framework. First, there is a brief summary of the national retirement-income system and a table of key indicators. This background table comprises average worker earnings, public pension expenditures, life expectancy and the dependency ratio (the number of pensioners for every 100 workers). Data both for the country in question and the average for the OECD as a whole are presented.

Secondly, there is a detailed description of the rules and parameters of the pension schemes that make up each country's retirement-income system. These are structured as follows.

● *Qualifying conditions:* pension eligibility (or "retirement") age and years of contributions required to receive a pension.

● *Benefit calculation:* the rules for each schemes making up the pension system, such as basic, resource-tested and minimum pensions as well as public, earnings-related and mandatory private plans.

● *Voluntary private pensions:* the parameters of typical voluntary plans are provided for the countries for which replacement rates under these schemes were modelled in the indicator of "Gross replacement rates from public and private pensions" in Chapter 7.

● *Variant careers 1:* the rules and conditions under which workers can retire early or continue to work beyond the standard retirement age and the impact on pension entitlements.

● *Variant careers 2:* rules for protecting pensions for people who are out of paid work due to caring for children or unemployment.

The treatment of pensioners under the personal income tax and social security contributions, for reasons of space, is not described in this edition (for all OECD countries, taxes and social security contributions paid by workers are those in force in the year 2012). However, the on-line version of the country profiles, available at *www.oecd.org/pensions/ pensionsataglance.htm*, do include this information. For details on the taxes and social security contributions paid by workers, see OECD (2013), *Taxing Wages*.

Values of all pension parameters and other relevant figures such as minimum wages are given in national currencies and as a proportion of average earnings. (See the indicator of "Earnings: Averages and distribution" in Chapter 7.)

In each country profile, a table gives expected relative pension values, replacement rates and pension wealth at different individual levels of earnings for mandatory pension schemes. (See Chapter 6 of this report for definition and measurement of the different indicators.) These are given in both gross and net terms (the latter taking account of taxes and contributions paid when working and when drawing the pension).

Summary figures show the breakdown of the gross relative pension value into the different components of the pension scheme (the first row of the figures). As far as possible, the same, terminology is used to describe these schemes. The particular national scheme that is described can be found in the text of the country study. Some standard abbreviations are used in the legends of the figures:

- SA: social assistance.

- Targeted: separate resource-tested schemes for older people.

- Minimum: a minimum pension within an earnings-related scheme.

- Basic: a pension based only on number of years of coverage or residency.

- Earnings-related: all public earnings-related programmes, including notional accounts and points schemes as well as traditional defined-benefit plans.

- DC: defined contribution, mandatory private plans.

- Occupational: mandatory or quasi-mandatory pensions, which can be provided by employers, industry-wide schemes (the Netherlands), profession-based schemes (Sweden) or publicly (Finland, France).

The second row of country figures shows the effect of personal income taxes and social security contributions on relative pension values and replacement rates, giving the gross and net values.

The figures use a standard scale to ease comparisons between countries: the scale for replacement rates runs to 125% while that for relative pension values runs to 2.5 times average earnings. The figures show pension entitlements for people earning between 50% and 200% of average worker earnings (AW).

From:

Pensions at a Glance 2013
OECD and G20 Indicators

Access the complete publication at:
https://doi.org/10.1787/pension_glance-2013-en