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NOTE

from:	The Social Protection Committee
to:	Permanent Representatives Committee (Part I) / Council (EPSCO)
Subject:	The 2015 Pension Adequacy Report: current and future income adequacy in old age in the EU: Joint SPC and Commission report - Report

Delegations will find attached the full report (Volume I Part 5) on the above subject submitted by the Social Protection Committee, with a view to the Council meeting (EPSCO) on 5 October 2015.

The key messages which are drawn from this report are contained in doc. 12085/15.

For technical reasons the complete Report had to be split in 5 parts which are found in docs 12085/15 ADD 1 (Part 1) + 12085/15 ADD 2 (Part 2) + 12085/15 ADD 3 (Part 3) + 12085/15 ADD 4 (Part 4) and 12085/15 ADD 5 (Part 5).

6. CONCLUSION

Providing people with income in old age that allow them a decent living standard and protect them from poverty is the very purpose of pension policy. Pension adequacy is thus an important policy goal in its own right. At the same time it is but one among several objectives in well-performing social market economies, and these objectives need to be achieved in a balanced, mutually supportive way. In particular, as pension expenditure represent a large share of total public spending, it is important to ensure that spending on public pensions does not undermine the sustainability of public finances and the investment in human capital on which the future ability to deliver adequate pensions ultimately depends.

The aggregate results of pension developments in EU countries and their impact on public expenditure and on incomes in old age are monitored in two tri-annual reports, which complement one another in focus and methodologies. These are the *Ageing Report* by the Economic Policy Committee and the present *Pension Adequacy Report* by the Social Protection Committee. Where the *Ageing Report* looks at risks to future fiscal sustainability stemming, among others, from public pension schemes, the *Pension Adequacy Report* examines the present and future adequacy of pension benefits with respect to the incomes of retired people.

In recent years, Member States have adopted a series of reforms aimed at managing public spending on pensions in order to safeguard their future sustainability in view of rising old age dependency ratios. Thanks to these reforms, projections from the 2015 *Ageing Report* now suggest that Member States may be able to contain the impact of population ageing to such an extent that public pension expenditure as a share of GDP would be no higher in 2060 than in 2013 for EU28 as a whole. This indicates that most Member States have made major progress in their efforts to avoid public finances being destabilised by increasing pension costs.

However, risks for the future sustainability of public finances do not only stem from a lack of pension reforms aimed at curbing future spending trends. There is also a risk of future policy reversals if reforms leave an increasing number of older women and men without adequate incomes. The 2015 *Pensions Adequacy Report* examines the extent to which there are current risks to income adequacy in old age and whether pensions will be able to meet the needs of older people in the future. Hence, the findings of this report complement the Ageing Report's analysis of pensions-related risks for future fiscal sustainability.

Overall, the analysis of pension adequacy in this report shows that, in their reform efforts, Member States face important common challenges and concerns, which can benefit from an overall approach. At the same time, though, the risks to current and future pension adequacy in Member States have many country-specific aspects resulting from the way national pension system are designed and the way they interact with economic and labour market developments. While volume I of the report is devoted to a comparative analysis of pension adequacy in EU-28, a detailed discussion of developments in each of the 28 Member States is therefore also provided in volume II.

Both volumes demonstrate that there are important gender differences in pension adequacy, both currently and in projections for the future, and that adequacy risks tend to have gender specific dimensions.

Based on its analysis of the ***current living standards*** of older men and women and the ***present role of pension systems*** in securing adequate living standards in old age, the report concludes that, on average, older Europeans are well-protected and that pension systems, in particular public pension schemes, have ensured that the majority of older people aged 65+ in most EU countries are protected against the risk of poverty and deprivation and can enjoy living standards in line with the rest of the population.

Currently, older people are no more at ***risk of poverty*** than other age groups. Indeed, the examination of developments since 2008 shows that, in almost all Member States, older people have been better protected against the social impact of the recession and public finance crisis than other age groups. However, while pension systems for the EU as a whole provide sufficient protection against poverty risks, the analysis also reveals that several Member States still need to tackle poverty risks in old age and, in some countries problems of severe material deprivation are particularly pressing. Moreover, among the older population in many Member States older women aged 75+ remain particularly exposed to poverty risks, notably when living alone.

While pensions are the main source of income for older Europeans, living standards in old age also depend on ***other factors, such as*** home ownership and financial wealth, access to other benefits and services, and employment opportunities. In these respects the report finds that older people are in a better position than the working age population in terms of home ownership and financial wealth. Yet, within the older population there are significant gender differences in home ownership and in exposure to severe housing deprivation in many Member States. Access to health care for older people is on par with that of the rest of the population, while in many Member States older people would benefit more from subsidised pharmaceuticals and aids. By contrast older workers and people above the pensionable age tend to have far fewer employment opportunities than prime age and younger workers in most Member States.

Whereas ***employment rates of older workers*** and the duration of working lives are substantially lower for women in nearly all Member States, and a smaller share of women than men work up to and beyond the standard pensionable age, the situation is improving much faster for women than for men. Hence, the share of women who will have built their own pension entitlements by the time they reach pensionable age is increasing steadily. Nevertheless, many more women than men have low paid jobs and work part-time and interrupt their careers for reasons of care duties, with the result that they are still likely to end up with lower pensions in future decades.

Today, in all Member States the average pension income of a woman is lower, often substantially so, than that of a man, with a weighted average ***Gender Gap in Pensions*** of around 40 percent for the EU as a whole. This gap reflects both gender differences in employment and the extent to which pension systems do, or do not, mitigate these differences.

As the gap ranges from 4 percent to 46 percent across Member States, it cannot be regarded as inevitable. It results from historical legacies and present practices and can be addressed by policy measures. Yet, tackling it may for several Member States present a considerable longer term challenge. Indeed, reducing the Gender Gap in Pensions is likely to require a combination of determined equal opportunity policies across several fields before people

reach pensionable age, with effects over the long term, and adjustments to pension systems, which can have more immediate effects.

In contrast to earlier reform waves, the ***reforms since 2008*** have not pursued a shift from public pay-as-you-go to privately managed, pre-funded, pension schemes. In fact, a number of Member States have partially or fully reversed earlier reforms that consisted in channelling part of the statutory pension contributions from pay-as-you-go schemes into a funded tier of mandatory private pensions, although some others have been able to find ways to continue such schemes, often at less ambitious savings rates. At the same time, other Member States with well-established occupational and personal pension schemes have sought to restore and consolidate them, including by improving their ability to handle volatilities in financial markets and low long-term interest rates.

Most pension reforms are only set to result in significant ***savings on public pensions spending*** over the long run as usually they have long phase-in times and transitional arrangements to protect acquired rights. However, some Member States that have been particularly hard hit by the crisis have felt the need to reduce pensions in payment and/or lower incomes for older people through tax increases or temporary or permanent changes to the indexation of benefits. In countries with high unemployment, many pensioner households may also have suffered a deterioration of their financial situation as a result of sharing their resources with the younger generations in the family when these, because of the crisis, had difficulties making ends meet.

In its assessments of the ability of pension systems to fulfil their income maintenance function, the report uses the hypothetical case methodology of ***Theoretical Replacement Rates*** (TRRs). These indicate the extent to which pensions received 'replace' prior incomes from work. In order to catch the effects of recent reforms the set of career scenarios and pension system features normally covered by the TRR calculations has been further enlarged.

These new TRR calculations help illustrate how important minimum income provisions and survivor benefits may be in the avoidance and mitigation of poverty risks for low-earners. A new career case has been introduced concerning 'forced' or 'involuntary' early retirement, which illustrates the potential consequences for people of having to stop working five years before the pensionable age, and having to rely on unemployment insurance or disability benefits as a bridge until they qualify for an old age pension.

Potential future poverty risks for low-earners - especially if they end up with short careers - have been calculated by comparing likely pension entitlements to likely average wages in 2053. At the same time, a further career case has been included, which uses the same assumptions about career lengths and exit ages as the Ageing Report, in order to provide closer comparability between the results from the two reports.

For people retiring in 2013 the ***current TRR*** results reveal substantial differences between Member States. After a 40 year career on average earnings until the national standard pensionable age, the net pension income ranges from 50 to nearly 115 percent of average earnings before retirement.

The future evolution of pension entitlements has been assessed by calculating ***prospective theoretical replacement rates*** for people who started working in 2013 at the age of 25 and who would expect to retire from their working careers under the terms of today's pension

legislation, including enacted reforms, and under projected economic and demographic circumstances

These prospective TRRs typically reflect the reformed pension systems in full maturity and, while those for 2053 differ substantially across Member States (as they do in 2013) they are falling in the majority of cases. As a result, for a 40-year career on average earnings until the country-specific pensionable age, net TRRs in 2053 are projected to range from 40 to 90 per cent.

TRRs are also calculated for workers earning either significantly less, or significantly more, than the average, revealing that the TRRs tend to be relatively higher overall for those with low earnings, and relatively lower for workers with high earnings, reflecting the redistributive character of many public pension schemes.

Public pay-as-you-go pension schemes remain the main providers of pensions across the EU although occupational pension schemes have gained coverage and contribute more than 30 percent to the pension incomes of hypothetical average earners in five Member States. However the coverage and share in pension income of such supplementary schemes is significantly higher among high and average earners than among low earners.

Member States have developed different approaches to the prevention of people receiving only very low incomes in old age. Four different types of ***minimum income provisions for older people*** can be distinguished: universal flat-rate pensions; contributory minimum pensions; specific social assistance for older people; and general social assistance.

Only few minimum income provisions will lift older people without any other resources above the at-risk-of-poverty threshold. In a number of Member States, the minimum amount guaranteed does not even reach half of this threshold. Though benefit supplements such as housing allowances may also be available and raise the final income, poverty mitigation more than poverty avoidance seems to be the function of several of these provisions.

Moreover, in many countries the income that is available to a person with low earnings and a 30 year working career will remain below the poverty threshold despite minimum income provisions. Pension entitlements are found to be above the national at-risk-of-poverty (AROP) threshold in nine Member States, and slightly below it in another three. In eight Member States, however, the theoretically calculated pension benefits are clearly below the AROP threshold despite a minimum income mechanism being in place. Even in those countries where the benefits clearly exceed the threshold, it is the design of the pension system more than supplements from minimum income provisions that keep older people with this career profile above the poverty threshold.

However, the fact that guaranteed minimum income levels in old age are below the poverty threshold does not automatically translate into large numbers of older people living below that threshold. Member States with low minimum incomes can also have low at-risk-of-poverty rates.

The increased labour market participation of women, together with the effects of the reforms of the pension system, would tend to lower dependency on basic safety nets in old age, but other factors – notably the economic crisis and high long-term unemployment, particularly among younger people - risks leaving many more people with major gaps in their contribution

history, which may well translate into increased reliance on minimum income provisions several decades from now.

Almost all Member States have measures aimed at compensating for the lost income of a deceased spouse. In most of the EU, ***survivor pensions*** are set play an important role in providing pension income for the surviving spouse also in the future, but the generosity and eligibility conditions vary widely. Compared to the benefits based on a survivor's own income from a full career with low wage, these benefits lead to higher pensions in 22 Member States, in four of them by more than 50 percent.

However an assessment of the income shock and associated poverty risks caused by the death of a spouse needs to focus on the difference between the equivalised household income of the couple, and the income of the surviving spouse. This equivalised disposable income of a widow, compared to what she would have received had the spouse not died, is projected to fall by more than 30 percent in 10 Member States, and by more than 20 percent in a further eight.

TRRs depicting the ***relative importance of pay-as-you-go and prefunded*** schemes in the future package of pension incomes for average earners show an increase in the role of prefunded schemes in 15 Member States. In 8 countries this is due to the expansion of mandatory private pensions, whereas in 7 occupational schemes are gaining a larger role. The enhanced role of pre-funding is primarily due to the maturation of these schemes, whether public or occupational. At the same time, replacement rates from public pension schemes are projected to decrease in nearly all Member States over the next 40 years, with a decline by more than five percentage points in 16 countries and by 15 or more percentage points in six Member States.

All pension arrangements entail exposure to internal and external risks and, while reforms aim to remove or reduce some of the risks in present arrangements, they may also introduce new risks.. Thus this report has sought to ***detect the new risk profile emerging from reforms,*** and suggest ways in which they can be tackled while also identifying where appropriate safeguards might be needed.

Comparisons of prospective TRRs for 2053 with those from 2013 show that ***income replacement rates*** from public pension schemes after a full career are set to decline in many Member States. The TRR projections highlight the particular ***risks from incomplete careers*** because of a shorter career of just 30 years or due to involuntary early retirement two to five years before the standard pensionable age. These results correspond with the decline in the benefit ratio (average pension benefit as share of average wage) and the increasing gaps between exit and pensionable ages in several Member States, as identified in the projections of the Ageing Report.

The ***two main sets of risks*** for future pension adequacy arising from recent reforms are seen as those that emanate from the *reduction in the relative value* of pension benefits due to tighter links with contributions and weaker valorisation and indexing, and those that result from *career patterns that fail to match* rising pensionable ages and the lengthening contribution periods.

When considering measures to mitigate the risks to pension adequacy from ***reduced indexation, dropping replacement rates and declining benefit levels***, one tends to be

confronted with the trade-offs between adequacy and sustainability concerns. Reforms that seek to ensure financial sustainability simply by lowering pension benefits can make it more difficult to provide effective protection against poverty and guarantee income security in old age through public pensions. If Member States are to avoid the relative value of pension benefits falling well below acceptable levels, they will inevitably need to monitor developments and create appropriate fiscal space to enable benefit levels to be raised.

By contrast many recent reforms that have focused on promoting longer working lives through ***increases in pensionable ages*** and through restrictions in access to early retirement options would seem to hold greater possibilities for win-win scenarios. To the extent that working lives do increase, such reforms offer the possibility of overcoming the adequacy and financial sustainability trade-off by lowering costs, developing extra revenues, thereby creating the basis for pension benefits that are higher than they would otherwise be.

A better balance of years in retirement and years in work would allow for higher pensions by generating more resources and avoiding increased inactivity. However, these changes also expose pension adequacy to developments beyond the control of pension policy makers since these reforms make pensions ***more dependent on labour market opportunities*** for longer and less interrupted working careers of women and men.

This report has therefore also addressed the risks to future pension adequacy emanating from the obstacles to longer working lives at the workplace and in labour markets, and considered how these potential problems can be tackled and mitigated through a better ***combination of employment and pension policies***.

As more, better and longer employment becomes the core route to pension adequacy in the future, the agenda for adequate income maintenance in old age will increasingly ***overlap with the general agenda*** for employment, incomes and social protection in working age. Policies that currently seek to improve the employment situation of underemployed groups such as youth, non-EU migrants, the low-skilled, and women with particular caring duties, are also policies that can help reduce the risks of inadequate pension entitlements due to short careers and limited pension coverage.

However, even if these policies are reasonably successful, they are unlikely to remove the need for safeguards in pension systems that can protect people from poverty risks in old age. Moreover, extending working lives towards the end of people's careers, presents a challenge for the general policy agendas for people of working age. The report therefore argues that addressing the risk to future pension adequacy also ***calls for specific policy measures*** with regard to workplaces and labour markets as well as pension systems.

In so far as longer and less interrupted working and contributory careers with rising pensionable ages and longer contribution periods are increasingly becoming a precondition for pension adequacy, priority must be given to ***increasing the effective retirement age*** and enabling as many women and men as possible to work up to the standard pensionable age. Pension reforms need to be underpinned by workplace and labour market measures that enable and encourage women and men to have longer and less interrupted working careers and thus defer retirement and pension take-up and meet the requirements for a full pension. As replacement rates decline in some Member States even for full careers, it would furthermore be important to ensure opportunities for people to recoup some of this loss by

building extra entitlements through complementary retirement savings and/or by working beyond the standard pensionable age.

To enable longer working lives, the health and skills of men and women need to be maintained as they age, and older workers need to be encouraged and enabled to move into jobs that are well-suited to their abilities and strengths. ***Flexibility in working arrangement*** (e.g. working hours, working time, degree of autonomy in work organisation, job rotation etc.) including changes to improve the reconciliation of work and family have proved particularly useful in enabling and encouraging labour force participation to higher ages. Making it possible to reconcile longer working lives with family obligations also entails ensuring access to affordable care for children and older dependents.

There is also a great need to ***improve the functioning of late-career labour markets*** so much better opportunities for people aged 55 and above can be ensured. It is for employment policy makers to work with the social partners to ensure that, as they age as older workers, women or men do not just have the possibility of staying longer in the same job. They should also be able to take a new job with another employer, and to find jobs with working conditions and working times that match their abilities, preferences and needs. Appropriate employment policies could facilitate this, while pension systems could allow it without penalties or even promote it, thereby creating additional opportunities for improving incomes in old age.

When considering the need for special safeguards for pensions in the future it is important to recognise that opportunities for earning a sufficient and secure income for a normal retirement period are linked to a person's employability and ***chances of finding and holding a job of good quality.*** Moreover, in a number of Member States, building adequate pension entitlements also presupposes access to supplementary retirement schemes. The purpose of employment and pension policies is to ensure that such opportunities become available to a broad majority of people. Still the ability and chance to put such opportunities to good use - including building rights to adequate pension income - tend to be unevenly distributed across the population.

The analysis shows the importance of ensuring that public pension schemes contain ***appropriate safeguards*** to address the needs of women and men who are less able to use these opportunities. Such mechanisms could include minimum pensions, and minimum income provisions for older people, as well as other redistributive means such as credits for periods during which people are unable to build full entitlements because of involuntary absence from work due to caring duties, sickness or unemployment.

In the future, attention will need to be paid to the situation of older women and men who, for personal or work related reasons, are ***unable to remain in the labour market*** up to the steadily rising statutory pension age, or up to an age where they can enjoy an adequate retirement income. When early labour market exits cannot be prevented, they should be covered by social protection mechanisms, which are well targeted to those who face serious labour market obstacles, while avoiding that incentives to increase the effective retirement age are undermined.

As highlighted above, ***policy makers in pensions and employment have a mutual interest*** in delivering on longer working lives. In pensions this is needed to secure future adequacy. In employment it is necessary to counteract the decline in labour supply from a shrinking

working age population. To deliver on longer working lives, policy makers and social partners need to address both the demand and the supply side of late-career labour markets by simultaneously widening late-career employment opportunities and adapting retirement times and practices.

This Pension Adequacy Report has shown the potentials of joint analysis of pension adequacy challenges and how they can be addressed, but it has also highlighted some limits in analytic capacity, which can be addressed through further cooperation at the EU level. The work programme behind this report was built around a multi-dimensional approach to the analysis of the adequacy of pensions as a source of income in old age. Most of the work has been realised, but there are themes and issues which ended up receiving a lighter treatment than originally planned, with aspects of some key risks (e.g. the share of people unable to work to higher pensionable ages), proving impossible within the timeframe and methodologies of this report, including because of knowledge gaps.

In view of the findings of this 2015 Pension Adequacy Report, and in preparation for the future monitoring and reporting of adequacy aspects of pensions, it would be appropriate for the SPC to look more closely at some of those population groups identified as at particular risk of suffering from insufficient incomes in old age (e.g. women, youth, non-EU migrants, the low-waged), and to consider how future adequacy and poverty risks can be addressed through positive measures with respect to employment as well as through mitigating provisions in pension or other social protection schemes.

It would be particularly useful if the SPC and EMCO jointly could review the economic, work, health and social variables that affect late careers and the transition from work to retirement policies, and to develop a catalogue of policies and measures that could help enhance the employment opportunities of older workers.

There is also be a need for a further analysis of the redistributive social elements of public pension schemes in order to detect how well they take account of the inequalities in health and in labour market opportunities that affect different groups of women and men. This could include the links between contributions and benefits, pension credits, minimum income provisions, provisions for people forced to leave the labour market early (notably through invalidity and unemployment benefits) and derived rights (survivors' pensions), with a special focus on pensioners living alone.

The report also points to the need for a closer examination of how Member States can best ensure opportunities for women and men to recoup some of the decline in replacement rates through longer working lives or through complementary retirement savings. In this connection it would also be important to look at how Member States, where pension adequacy is increasingly dependent on supplementary retirement schemes, can promote such schemes in the most cost-effective ways.

Since this report is particularly concerned with the pension prospects of people currently entering the labour market, it has used a 40 years horizon in its projections. However, while such projections can provide important information about possible long term effects of present pension reforms, policy makers also need information on prospects in the near future. In this respect the policy relevance of pension adequacy scenarios for the future could be importantly enhanced if the analytical capacity for anticipating adequacy and financial

sustainability challenges over the medium term (10 to 15 years) were increased. This could be done through the use of administrative data, modelling tools and surveys such as EU-SILC, EHIS[1] and SHARE[2] with the aim of enabling Member States to implement more timely and appropriate corrective reform measures in accordance with their specific national economic, fiscal and wider social circumstances.

Finally it should be said that work towards this report has been greatly facilitated and improved through cooperation with the OECD and dialogue with the ILO and the World Bank. Since countries outside the EU face similar problems with regard to ensuring the future adequacy of pensions in ageing societies, it is important for the SPC to continue its collaboration with these international organisations when exploring the most appropriate policy responses to the challenges to pensions in ensuring adequate incomes in old age within the EU.

1 European Health Interview Survey (EHIS)

2 Survey of Health, Ageing and Retirement in Europe (SHARE)

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Annex 2. List of definitions and abbreviations

Defined benefit (DB) schemes – pension schemes where the benefits accrued are linked to earnings and the employment career (the future pension benefit is pre-defined and promised to the member). It is normally the state (in public DB schemes) or scheme sponsor (in occupational DB schemes) who bears the investment risk and often also the longevity risk (see also: Defined contribution (DC) schemes).

Defined contribution (DC) schemes – pension schemes where the level of contributions, and not the final benefit, is pre-defined: no final pension promise is made. DC schemes can be public, occupational or personal: contributions can be made by the individual, the employer and/or the state, depending on scheme rules. The pension level will depend on the performance of the chosen investment strategy and the level of contributions. The individual member therefore bears the investment risk. PAYG-financed defined contribution schemes are known as notional defined contribution (NDC) schemes (see also: Defined benefit (DB) schemes).

Funded scheme – a pension scheme whose benefit promises are backed by a fund of assets set aside and invested for the purpose of meeting the scheme's liability for benefit payments as they arise. Funded schemes can be either statutory, collective or individual (see also: Pay-As-You- Go schemes).

Individual pension scheme – access to these schemes does not depend on an employment relationship. The schemes are set up and administered directly by a pension fund or a financial institution acting as pension provider without the involvement of employers. Individuals independently purchase and select material aspects of the arrangements. The employer may nonetheless make contributions to individual pension schemes. Some schemes may have restricted membership.

Legislated pensionable age – legislated age at which a member of the pension scheme is eligible to receive full pension benefits.

Occupational pension schemes – a pension plan where access is linked to an employment or professional relationship between the plan member and the entity that sets up the plan (the plan sponsor). Occupational pension schemes may be established by employers or groups of employers (e.g. industry associations) or labour or professional associations, jointly or separately, or by self-employed persons. The scheme may be administered directly by the sponsor or by an independent entity (a pension fund or a financial institution acting as pension provider). In the latter case, the sponsor may still have responsibility for overseeing the operation of the scheme.

Pay-As-You-Go (PAYG) schemes – pension schemes where current contributions finance current pension expenditure (see also: Funded schemes).

Pension pillar – different types of pension schemes are usually grouped into two, three, four or more pillars of the pension system. There is however no universally agreed classification. Many pension systems distinguish between statutory, statutory funded, occupational and individual pension schemes.

Standard pensionable age (SPA) – (i) the earliest age at which an individual with a 40-year career can retire without any exit penalty in 2053 (used in the calculations of the Theoretical Replacement Rates, case 1b); or (ii) the earliest age at which an individual who is born in 1988 and commences his/her career in 2013 at age 25 can retire without any exit penalty (used in the calculations of the prospective Theoretical Replacement Rates for all cases except case 1b).

Statutory pension scheme – social security and similar programmes administered by the general government (that is central, state, and local governments, plus other public sector bodies such as social security institutions), access to which is based on legislation. Public pension plans can be financed from social security contributions or general taxation and have traditionally been of the PAYG type.

Statutory funded pension schemes – funded pension schemes, access to which is based on legislation. In statutory funded schemes, part of participants' social security contributions are converted into funded assets, typically administered by authorised private fund managers. These schemes can be mandatory or voluntary.

Supplementary pension schemes – pension schemes which generally provide additional retirement income to the statutory pension schemes (see also: Individual pension schemes; Occupational pension schemes).

Theoretical Replacement Rate (TRR) – generally refers to an indicator showing the level of pension income after retirement as a percentage of individual earnings at the moment of take-up of pensions or of average earnings. Replacement rates measure the extent to which pension systems enable typical workers to preserve their previous living standard when moving from employment to retirement.

Abbreviations

AR	Ageing Report
AROP	At-risk-of-poverty rate
AROPE	At-risk-of-poverty or social exclusion
ARR	Aggregate replacement ratio
AWG	Ageing Working Group (of the EPC)
AWL	Average duration of past average working life
BR	Benefit ratio
CEE	Central Eastern European countries
CSM	Cohort simulation model
CSR	Country Specific Recommendation
DB	Defined benefits
DC	Defined contributions
EC	European Commission
ECB	European Central Bank
EPSCO	Employment, Social Policy, Health and Consumer Affairs Council
EMCO	Employment Committee
EMU	Economic and Monetary Union
ENEGE	European Network of Experts on Gender Equality
EPC	Economic Policy Committee
EU	European Union
EUR	Euro
EUROMOD	Tax-benefit microsimulation model for the European Union
EU-SILC	European Union Statistics on Income and Living Conditions
GaRR	Gross aggregate replacement ratio
GDP	Gross Domestic Product
GGP	Gender gap in pensions
HFCS	Eurosystem Household Finance and Consumption Survey
ILO	International Labour Organisation
JAF	Joint Assessment Framework
LE	Life expectancy
LFS	Labour Force Survey
LFS AHM	Labour Force Survey ad-hoc module
LTC	Long-term care
MIPOP	Minimum income provision for older people
MISSOC	Mutual Information System on Social Protection
NDC	Notionally defined contributions
OECD	Organisation for Economic Co-operation and Development
OMC	Open Method of Coordination
p.p.	Percentage points
PAR	Pension Adequacy Report
PAYG	Pay-as-you-go pension scheme
PPP	Purchasing power parity
RMIR	Relative median income ratio
SME	Small and medium-sized enterprise
SPA	Standard pensionable age
SPC	Social Protection Committee
SRA	Statutory retirement age
TRR	Theoretical Replacement Rate

Member States

BE	Belgium
BG	Bulgaria
CZ	Czech Republic
DK	Denmark
DE	Germany
EE	Estonia
IE	Ireland
EL	Greece
ES	Spain
HR	Croatia
FR	France
IT	Italy
CY	Cyprus
LV	Latvia
LT	Lithuania
LU	Luxemburg
HU	Hungary
MT	Malta
NL	The Netherlands
AT	Austria
PL	Poland
PT	Portugal
RO	Romania
SI	Slovenia
SK	Slovakia
FI	Finland
SE	Sweden
UK	United Kingdom

Annex 3. Methodological background: calculation of theoretical replacement rates (TRR)

Theoretical replacement rates (TRR) are defined as the level of pension income the first year after retirement as a percentage of individual earnings at the moment of take-up of pensions. The exercise on TRR gives therefore a picture of pension systems' *adequacy*, when adequacy is understood as to what extent the level of pension benefits replace individual previous' earnings. In that sense TRR can be considered a proxy to the standard of living that people can achieve in retirement compared to their own situation when working.

TRR are case study based calculations, that is, they are calculated for an assumed hypothetical worker in a *base case* and a given set of *variant cases*. The base case should be treated as a priority, taking also into account that the provision of elements highlighting the representativeness of the base case is an essential aspect to complete the information provided by the calculation of TRR. Calculations for variant cases provide very useful information on how the TRR vary for different departures from the main baseline assumptions, and thereby on the adequacy effects of reforms that entail changes on the relevant key parameters.

TRR can measure **current and future adequacy**. *Current* TRR describe the situation of people who retire today (in this exercise, people who retired in 2013 in the base case), while *prospective* TRR describe the foreseen situation of people retiring in the future (in this exercise, people retiring in 2053 in the base case). In that sense, prospective TRR should allow an assessment of future adequacy of pensions that takes into account assumed future economic and demographic circumstances as well as changes that have been decided in many countries as a result of recent reforms. This is important both at a general level for policy-making and for individuals' retirement planning, who need to anticipate the possible situation of their future income.

Prospective TRR rely on specific assumptions on the key economic and demographic parameters that are relevant for the calculation of future earnings and benefit entitlements. Such parameters are aligned to the ones used by the Ageing Working Group (AWG) of the Economic Policy Committee (EPC).

1. General specifications of the calculations

The definition used for TRR refers to the replacement of income obtained when people retire: it is at the moment of take-up, the ratio of pension income on the first year of retirement divided by work income on the last year before retiring:

> ***Definition of the TRR*** *= pension income (at take up) / work income (last year)*

The numerator "pension income at the moment of take up" refers to income in the form of pensions from all mandatory, typical and relevant pension schemes, as well as other social benefits, as applicable to the selected case (e.g. housing benefits, holiday allowance). Housing supplements can be included in the calculations, depending on each Member State framework, as means-tested benefits. Benefits in kind should not be considered in the calculations, as they are not part of the disposable income.

The denominator "work income on the last year before retiring" should include earned income (including overtime pay, bonuses, 13th month, etc.) and social benefits as applicable to the selected case. The denominator "work income on the last year before retiring" should be adjusted for one year of inflation assumed at 2 percent.

1.1. Current and Prospective TRR (2013 and 2053 respectively in the base case)

Current TRR are to describe the situation of people who retire today, while prospective TRR will describe the situation of people who start working today and will be retiring in the future.

Results for current TRR present the pension outcome for people retiring today, under the relevant pension legislation (i.e. the worker started working in 1973 and retired in 2013 in the base case, under whichever rules applied during his career).

Results for prospective TRR present the pension outcome for people retiring in the future under the pension legislation enacted by 2013, including transitional rules to be implemented gradually that may be legislated in enacted reforms. This includes the currently legislated indexation rules for different benefits. The calculations for prospective TRR typically reflect reformed pension systems in full maturity.

1.2. Gross and Net TRR

The calculations take into consideration social security contributions to statutory and supplementary pension schemes or funds. Taxes and means-tested social benefits are also included in the calculations. This makes it possible to determine the contributions of the different components of the pension systems to the pensioner's income replacement at the point of retirement.

In particular, the *gross replacement rate* is defined according to the pre-taxed income (after employer contributions, but including employee contributions).

The *net replacement rate* is calculated as net of income taxes and employee contributions and including means-tested benefits. The comparison between gross and net allows assessing how different tax treatments of income from work and pensions may affect the income replacement provided by pension provision, or in other words, the effect of tax systems in pensions' adequacy.

1.3. Steps of calculations

Table 1 clarifies the successive steps in the calculations from gross to net replacement ratios and the relevant break-downs of the replacement rates.

Table 1: Steps of the TRR calculations

	Steps of the calculations	Wage income full year before retirement	Pension income full year after retirement
	Compensation per employee	A	
–	Employer contribution to the first pillar pension scheme (B_1),	B_1	
	to the other pension schemes (B_2)	B_2	
	and other employer's social contributions (B_3).	B_3	
=	Gross earnings ($C=A-B_1-B_2-B_3$)	**C**	
	Pension income from first pillar pension schemes – J_1,		$J_1^A + J_1^B = J_1$
	of which PAYG (J_1^A) of which funded (J_1^B) and from other pension schemes - J_2		J_2
	Total pension income ($J = J_1 + J_2$)		**J**
%	**1st pillar (statutory pensions) gross replacement rate - G_1,** **(of which PAYG - $G_1^A=J_1^A/C$ of which funded schemes - $G_1^B=J_1^B/C$)**		**$G_1=J_1/C$** **($G_1^A=J_1^A/C$ $G_1^B=J_1^B/C$)**
	Other pension schemes gross replacement rate – G_2		**$G_2=J_2/C$**
	Total Gross replacement rate ($G = G_1 + G_2$)		**G=J/C**
–	Employee and pensioner contributions to pension schemes: first pillar - D_1,	D_1	K_1
	other pension schemes - D_2,	D_2	K_2
–	Social insurance contributions other than for pension schemes	F	M
–	Taxes	G	N
+	Means-tested benefits		O
=	Net wage and pension income ($I=C-D_1-D_2-F-G$) ($P=J-K_1-K_2-M-N+O$)	**I**	**P**
%	**Total Net replacement rate (N=P/I)**		**N=P/I**
	of which means tested benefits in pp of total net replacement rate		**O/I**

2. Specifications of the base case

In the base case, TRRs are calculated for an assumed hypothetical worker with a given earnings and career profile and a corresponding affiliation to pension schemes. The base case individual is chosen in order to reflect as closely as possible current actual situations and institutional frameworks. However, given the diversity of situations across Member States, the base case may not necessarily be representative of workers in all Member States and therefore, TRRs need to be analysed in the light of background information aimed at showing in particular how "representative" the hypothetical worker is in a specific Member State (see section 5 below).

Table 2 summarises the main assumptions for the base case.

Table 2: The main assumptions for the base case

Professional status	Workers covered by the **most general scheme** (i.e. private sector scheme: if there are different schemes by professions/sectors, assumptions of the work sector are necessary. If considered relevant, Member States may also calculate replacement ratios for public sector employees, self-employed or other professional groups)
Career length	40 years
Age at retirement	Variant I: age 65; Variant II: national sex-specific standard pensionable age
Type of employment	Full-time work
Marital status	Single person (calculated for both men and women)
Year of retirement	Current replacement rates should be calculated for retirement in 2013 (pension in 2013 with respect to work earnings in 2012 adjusted for one year of inflation at 2%)[3]. Prospective replacement rates should be calculated for retirement in 2053.
Coverage of pillars in pension income	First pillar, supplementary (occupational or personal) provision and means-tested supplements as applicable to the selected case (see below)
Earnings level	100% of average earnings of the corresponding year
Earnings profile	Constant relation to current average earnings (100%) over the whole period of employment

Coverage of pillars in pension income of the theoretical individual

Calculations include all (and only) pension schemes that are mandatory, typical or with wide-reaching coverage in a country. For each country the main schemes for private-sector employees should be modelled. Special schemes for civil servants, public-sector workers and special professional groups are excluded.

Statutory pensions include classical pay-as-you-go schemes (Defined-benefit (DB) or Notional defined-contribution (NDC)), and the mandatory Defined-contribution (DC) funded tier of the statutory scheme existing in some Member States.

Resource-tested benefits for which retired people may be eligible are also to be modelled. These can be means-tested, where both assets and income are taken into account, purely income-tested or withdrawn only against pension income. The calculations should assume that the base case individual takes up all the entitled benefits. The income test has to be taken as binding.

An increasing number of countries have a broad coverage of occupational pensions, either through collective agreements or through the employer, with an increasingly important role in providing retirement income. Therefore for those Member States where these pensions, that can be either DB or DC type, play a significant role they are to be included in the base case calculations.

Individual schemes in principle should NOT be included in the calculations as these are typically voluntary and not so widely developed. Only if they are part of official pension provisions and of substantial significance (such as, for example, in the case of the German Riester scheme), these should be included. Such insertion must be fully justified on the basis of the current and perspective coverage of such pension arrangements among workers. Saving arrangements that do not tie up savings till retirement age can never be considered.

Table 3 summarises the types of schemes included in the calculations.

[3] Except in case a Member State needs to refer to a different moment of time.

Table 3: The types of schemes included in the calculations

	Covered by TRR calculations	Type of scheme
Statutory schemes	YES	Minimum pension provision
		Means tested benefits for pensioners, such as housing
		Universal flat rate linked to residency or to social insurance contributions
		Earnings related PAYG (with or without reserve fund)
		Earnings related, totally funded (by social contributions) – funded tier of general statutory schemes. Partly funded schemes.
Occupational schemes	YES	Mandatory for employer (sectoral or cross-sectoral) or resulting from collective agreement (which makes membership mandatory)
		Resulting from collective agreement (membership not mandatory but coverage is wide)
		Possibility to subscribe to pension scheme through one's employer
	Only if justified (broad coverage)	Resulting from collective agreement (membership not mandatory)
		Contractual or unilateral by employer (including book reserve or group plans)
Individual schemes	Only if justified (broad coverage)	Voluntary individual schemes (no employment link is necessary to become member), that can be adhered collectively (for instance through associations or Unions)
		Individual contracts with pension funds, life insurance companies or pension savings institutions that deliver annuities
	NO	Long term savings not specifically for pension purposes

3. Specifications of variant cases

Variant TRR cases	Characteristics
Increases in pension ages	
Increased SPA: career from age 25 to SPA	In the base case calculations a 40 year career is typically calculated with a person retiring at either the national standard pensionable age[4] or age 65. With the "increase in pension ages" variant, the impact of retirement age reforms can be analysed. For this variant the entry age will remain constant with the retirement age reflecting the standard pensionable age at the time. A worker retiring at the national standard pensionable age – starting point of his career is 25 as in the base case, thus the career length will change as the retirement age changes).
AWG career length case	In the base case calculations a 40 year career is typically calculated with a person retiring at either the national standard pensionable age or age 65. However this career length may not reflect the situation that occurs within a particular country. For this variant the career length will be the difference between national effective exit age and national effective entry age. A worker retiring after an average AWG career – national specific entry and exit ages as calculated for the EPC-AWG; varying exit ages for current and prospective TRRs).
Different career lengths	In the base case calculations a 40 year career is typically calculated with a person retiring at the national standard pensionable age. With "different career length" variants, the dynamics of work incentives can be studied by comparing a base case worker who retires at national standard pensionable age with one that retires either 2 years earlier or later thus decreasing and increasing respectively the

[4] The standard pensionable age is defined as the earliest age at which the individual with 40-year career can retire without any exit penalty.

Variant TRR cases	Characteristics
	seniority/number of contributory years of the worker.
Longer working life I: career from age 25 to 67	A worker retiring two years later at age 67 with 42 years of seniority (starting point of the career is 25 as in the base case, thus retirement in 2015 and 2055 for current and prospective TRR respectively).
Shorter working life I: career from age 25 to 63	A worker retiring two years earlier at age 63 with 38 years of seniority (starting point of the career is 25 as in the base case, thus retirement in 2011 and 2051 for current and prospective TRR respectively).
Longer working life II: career from age 25 to SPA+2	A worker retiring two years after national standard pensionable age (starting point of the career is 25 as in case 2a).
Shorter working life II : career from age 25 to SPA-2	A worker retiring two years before national standard pensionable age (starting point of the career is 25 as in case 2a).
Variant cases with career breaks	It is important to study with TRR to what extent social protection systems protect not only the current loss of income due to career breaks (for care responsibilities or in the event of unemployment), but also protect future incomes in the form of pension entitlements. This is becoming increasingly important as the number of contributory years needed for a full pension is being extended in many Member States.
Career break due to unemployment: 1 year, 2 years, 3 years	Career breaks for shorter (0 to 3 years) periods of unemployment: In this case the typical earner will be considered to be an average earner (both male and female) retiring at the country-specific standard pensionable ages and entered the labour market at age 25. Three consecutive years of unemployment are assumed to take place, when the individual is allowed highest full unemployment benefits that are entitled by legislation during the entire unemployment period. Although several countries have early-retirement schemes, the effects of such schemes are not taken into consideration in these calculations.
Career break due to child care: 1 year, 2 years, 3 years	The assumption for this case is that the typical earner is considered to be a female retiring at the country specific female standard pensionable age and entered the labour market at age 25. The exercise assumes childcare covering periods of 0 to 3 years of absence. For the modelling it is assumed that two children are born two years apart. Since a constant relative position in the earnings distribution is assumed throughout one's career, it does not matter when in the career childcare absences are modelled for the results, but typically the children are assumed to be born at the age of 30 and 32. The assumption is that highest full benefits can be received by the individual. The child care credits are typically placed for two children born.
Short career (30 year career)	Ten non-contributory years out of the labour market: this variant is defined as an average earner worker, both male and female, who retires at national retirement age and entered the labour market at age 25, as with the base case. 20 years of work until age 45; career break until 10 years prior to SPA (if the SPA in 2053 is equal to 67, a 12 year career break until age 57 is assumed); 10 years of work until the SPA. During the 10 year break the worker is assumed to not contribute to the pension system at all and not receive any social benefit or contribution credits, but remains resident in the Member State.
Forced early retirement due to unemployment	Early retirement due to 5 year period of unemployment: In this case the typical earner will be considered to be an average earner (both male and female) leaving the labour market 5 years prior to national standard pensionable age and entered the

Variant TRR cases	Characteristics
	labour market at age 25. Five consecutive years of unemployment are assumed to take place, and the individual claims the pension at the earliest possible point through early-retirement schemes. However the replacement rate is calculated at the national standard pensionable age, indexing benefits in payment where required.
Forced early retirement due to disability	In this case the typical earner will be considered to be an average earner (both male and female) leaving the labour market 5 years prior to national standard pensionable age and entered the labour market at age 25. Disability is classed as 100% and the individual is eligible for the maximum level of credit. The individual claims the pension at the earliest possible point through any early-retirement schemes. However the replacement rate is calculated at the national standard pensionable age, indexing benefits in payment where required.
Other cases	
Pension rights of surviving spouses	The assumption for this case is that both partners retire at the country specific national standard pensionable ages and entering the labour market at age. The exercise assumes the man was at average earnings throughout his career while the woman was at low earnings. For the modelling it is assumed that the man dies immediately after reaching retirement age. The difference between this indicator and the base case scenario for female low earners will measure the credit given to the surviving spouse to supplement low income.
Inflation: replacement rate 10 years after retirement	A pension – wage ratio after 10 years of retirement should also be presented, as a complement to the base case. This should be calculated considering the value of an individual's pension 10 years after retirement, divided by the income of another average-earner worker retiring 10 years later than the previous one after a career from age 25 up to the national standard pensionable age (thus, the two retirees are in different cohorts, with 1973/1983 and 2013/2023 as the relevant entry ages for the calculation of current and prospective replacement rates, respectively). This will help to provide an assessment of the evolution of the relative position of the individual, typically reflecting pension indexation.

Different career lengths for different earning profiles

The analysis of variant cases should be considered with respect to low earners and career length. This will allow to study if the incentives to work longer are comparable for different wage levels. This can be done by simulating the effects of shorter/longer careers for the lower income earners, thus contributing to reflections on the adequacy impacts of working longer for the low income group (definitions as in the above-mentioned variant cases, and in all cases starting point of the individual's career as in the base case):

a) **a low income worker retiring two years later at age 67 with 42 years of seniority** (starting point of the career is 25 as in the base case, thus retirement in 2015 and 2055 for current and prospective TRR respectively).

b) **a low income worker retiring two years earlier at age 63 with 38 years of seniority** (starting point of the career is 25 as in the base case, thus retirement in 2011 and 2051 for current and prospective TRR respectively).

c) **a low income worker retiring two years after national standard pensionable age** (starting point of the career is 25 as in case 2a).

d) **a low income worker retiring two years before national standard pensionable age** (starting point of the career is 25 as in case 2a).

4. Data and assumptions

In addition to the specifications listed above for the base case and variant cases, the following data are typically needed for the modelling of current and prospective TRR calculations:

- average earnings of the base case theoretical individual
- wage growth
- GDP growth
- inflation rate
- rates of return and annuities
- tax and social insurance data
- demographic variables (life expectancy / mortality tables)

Input data on these variables are needed for the whole 40 year period of the individual's career: either historical data referred to the past 40 years (for the calculation of current TRR) or assumptions on the relevant variables for the next 40 years (for the calculation of prospective TRR).

4.1. Current TRR calculations: based on past historical data

Calculations of current TRR are based on historical data for all the macro economic and demographic variables listed above. Country delegates use EU-level statistics such as the AMECO macro-economic databank of DG ECFIN[5], EUROSTAT data[6] or national sources to extract the necessary input data for the modelling.

The average earnings of the base case theoretical individual can be calculated either as (i) "Compensation of employees (before employers' social contributions) divided by the number of salaried employees in each country" or else as (ii) "wages and salaries (after employers' social contributions) divided by the number of salaried employees in each country". In any case, employers' social security contributions should be netted out for the calculation of gross TRR (see section 1 above), thus if option (i) is taken, employers' social contributions have to be deducted from the aggregate "compensation of employees". Furthermore, in the denominator, it would be more appropriate to use data on *full-time equivalent* wage and salary employees, since the structure of employment in terms of hours worked differs greatly across countries.

As for the reference population, it is suggested to use economy-wide averages, with no breakdown by gender or sector. The purpose, in fact, is not to reflect very accurately average earnings or cross-sectoral differences in average earnings in a given country at a given point in time, but to have a consistent image of cross-country differences in levels and past trends of earnings. However, if the pension scheme to which the calculations refer only concerns a particular section of the economy for which average earnings are significantly different from the economy-wide average, then it is possible to use earnings related to that section of the economy, provided they are available based on national accounts definitions.

4.2. Prospective TRR calculations: based on assumed data for the future

The calculation of prospective TRR asks for assumptions on future values of all the above-listed macroeconomic and demographic variables. In that sense, the assumptions agreed in the AWG are used to calculate projected TRR:

(i) average earnings (without employers' social security contributions) in 2013;
(ii) assumed annual average earnings' growth in real terms 2013-2058;
(iii) assumed annual GDP growth in real terms 2013-2058;

[5] http://ec.europa.eu/economy_finance/db_indicators/ameco/index_en.htm

[6] http://epp.eurostat.ec.europa.eu/portal/page/portal/statistics/themes

(iv) assumed annual inflation 2013-2058;
(v) assumed real interest rates 2013-2058.

The AWG assumes year-on-year figures for earnings' growth and GDP growth for the time span 2013-2053, while it assumes a path of linear convergence in both real interest rates (convergence to the 3% rate by 2017, and constant rate thereafter) and inflation rates (convergence to the 2% rate by 2017 and constant rate thereafter). With the current format of the OECD APEX model, it is not possible to use different assumptions for each year. Therefore, for the calculation of the 2053 prospective replacement rates, APEX has used an *average* for the entire 40 year period for the four economic parameters[7].

The following clarifies further the use of some of the variables in the modeling exercise of prospective TRR.

a) Inflation rate

Assumptions about indexation of pensions are made according to national legislation. Concerning discretional increases of pensions, in calculating the pension – wage ratio after 10 years, only legislated or automatic increases of pensions should be considered, not discretional ones. If one Member State feels it relevant to also consider some discretional increase, this should be declared and done only if the same discretional increase is expected to be considered in the pension expenditure projection exercise.

b) Tax and social insurance

Like in previous exercises, in the absence of a clear legislative commitment to conduct a different policy, Member States should raise income tax and social insurance thresholds in line with earnings so as to avoid a reduction in net replacement rates resulting from an increasing tax burden or a gradual reduction in the scope of social insurance. Departures from this assumption have to be duly justified.

c) Rates of return and Annuities

It should be assumed that when defined contribution benefits are received upon retirement they are paid out as an annuity. Annuities are calculated according to government policies. The interest rate assumed to calculate the annuity is 0.8% lower than the assumed rate used during the accumulation phase in order to account for the cost of buying the annuity, administrative and managing expenses. Therefore for the base case the assumed rate is 3%, giving an annuity rate of 2.2%. The cases for the lower and higher rates of return are adjusted accordingly. The Annuity coefficients used in the calculations take into account changes in life expectancy and are based upon the demographic projections by Eurostat.

d) Life expectancy

Eurostat's demographic projections based on EUROPOP2013 are used, as the case for the AWG projections.

[7] The difference in using an average for wage and GDP growth as opposed to the year-on-year figures depends entirely on the pension system. If the system is points orientated based on the number of years contributions, for example, then it is irrelevant. If it is based on final salary or yearly contributions then the difference is marginal and will depend entirely on the level of increase in wages. For example an increase of 2% in year one and 3% in year two gives an actual increase of 1.02*1.03 = 1.0506 whereas an increase of 2.5% in each year (average) gives an increase of 1.025*1.025 = 1.050625.

Annex 4. Background information on the pension schemes covered

Table 1: Pension schemes used in the calculations of the TRRs (ISG)

Member State	Pension schemes (Country-specific)	Covered by TRR	Funding source	Scheme-specific assumptions						
				Contribution rates			Valorisation of pensionable earnings		Indexation of pensions in payment	
				2013	2053					
					Assumptions used for TRR projections	Legislated/ ad-hoc	Assumptions used for TRR projections	Leg./ ad-hoc	Assumptions used for TRR projections	Leg./ ad-hoc
BE	**Public pensions**	Yes - employees private sector	Mixed	16.36	16.36	Leg.	Cfr. WGA		Constant prices (as imposed)	
	Occupational pensions	Yes	Contri-butions	4.25	4.25	Ad-hoc	Cfr. contributions and assumed ROI		Constant prices (as imposed)	
	Private pensions	No								
BG	**Public pensions:** Earnings related PAYG, DB, administrated by National Social Security Institute	Yes	Mixed	17.8 % for persons born before 01.01.1960 (EE – 7.9%; ER – 9.9%); 12.8% for persons born after 31.12.1959 (EE – 5.7%; ER – 7.1%); 12% State	17.8 % for persons born before 01.01.1960 (EE – 7.9%; ER – 9.9%); 12.8% for persons born after 31.12.1959 (EE – 5.7%; ER – 7.1%); 12% State	Leg.	No valorisation of pensionable earnings. Instead, in the pension formula an individual coefficient is applied which is the ratio of an individual's average insurable income and the national average insurable income.	Leg.	50% CPI + 50% wages	Leg.
	Earnings related, funded tier of statutory scheme, DC - Universal Pension Funds (UPF)	Yes	Contri-butions	5% for persons born after 31.12.1959 (EE – 2.2%, ER – 2.8%)	7% since 2017	Leg.				
	Occupational pensions	No								
	Private pensions	No								

Member State	Pension schemes (Country-specific)	Covered by TRR	Funding source	Scheme-specific assumptions						
				Contribution rates			Valorisation of pensionable earnings		Indexation of pensions in payment	
				2013	2053					
					Assumptions used for TRR projections	Legislated/ ad-hoc	Assumptions used for TRR projections	Leg./ ad-hoc	Assumptions used for TRR projections	Leg./ ad-hoc
CZ	**Public pensions:** Basic pension insurance	Yes	Contri-butions	28	28	Leg.	Average nominal wage growth	Leg.	CPI + 1/3 real wage growth	Leg.
	Occupational pensions	No (do not exist)								
	Private pensions	No								
DK	**Public pensions**	Yes	Tax						Automatic. Calc. based on wages. "Satsregulering"	Legislated
	ATP	Yes	Contri-butions: Private 1/3- Emp-loyer 2/3	3240 DDK	3240*regulated with earnings growth to 2053	Ad hoc follows wages (set by nego-tiations)			Follows wages	Ad hoc (set by nego-tia-tions)
	Occupational pensions	Yes	Contri-butions: Private 1/3- Emp-loyer 2/3	13	13	Ad hoc (nego-tiations – social partners)			Follow wages	Ad hoc (nego-tia-tions – social part-ners)
	Private pensions	No								
DE	**Public pensions**	Yes	Contri-butions	9.35% employer; 9.35% employee	9.35% employer; 9.35% employee	Leg.	Wage growth – sustainability factor	Leg.	Wage growth – sustainability factor	Leg.
	Occupational pensions	No								
	Private pensions	No					Market rate of return	Ad-hoc	Market rate of return	Leg.
EE	**Public pensions:** state pension (1st	Yes	Contri-butions,			Leg.	Wage growth	Leg.	20% CPI + 80% social tax revenues	Leg.

Member State	Pension schemes (Country-specific)	Covered by TRR	Funding source	Scheme-specific assumptions						
				Contribution rates			Valorisation of pensionable earnings		Indexation of pensions in payment	
				2013	2053					
					Assumptions used for TRR projections	Legislated/ ad-hoc	Assumptions used for TRR projections	Leg./ ad-hoc	Assumptions used for TRR projections	Leg./ ad-hoc
	pillar)		state budget						growth	
	Mandatory supplementary pension (2nd pillar)	Yes	Contri-butions	The employee pays 2% from the gross wage and the employer another 4% (as part of the 20% pension insurance contribution)	The employee pays 2% from the gross wage and the employer another 4% (as part of the 20% pension insurance contribution)	Leg.	Market rate of return	Ad-hoc	Market rate of return	Ad-hoc
	Occupational pensions	No								
	Private pensions - voluntary funded pension (3rd pillar)	No	Defined contri-butions	The sums of the contributions made to the supplementary funded pension can be determined by the person and the amount of the contributions can be changed at any time.						
IE	**Public pensions**	Yes	State	Full yearly average of 48 + contributions assumed	Increase in line with wages	Ad-hoc	Calculated by average earnings and poverty threshold	Ad-hoc	Earnings	Ad-hoc
	Occupational pensions	Yes	Contri-butions	10% Contribution rate	Increase in line with wages	Ad-hoc	Value of contributions	Ad-hoc	Earnings	Ad-hoc
	Private pensions	No								
EL	**Public pensions**	Yes	Contri-butions	Main pension: 20% = 6.67% employees + 13.33% employers. Auxiliary pension: 6% = 3% employees + 3% employers						
	Occupational	No								

Member State	Pension schemes (Country-specific)	Covered by TRR	Funding source	Scheme-specific assumptions						
				Contribution rates			Valorisation of pensionable earnings		Indexation of pensions in payment	
				2013	2053					
					Assumptions used for TRR projections	Legislated/ ad-hoc	Assumptions used for TRR projections	Leg./ ad-hoc	Assumptions used for TRR projections	Leg./ ad-hoc
	pensions									
	Private pensions	No								
ES	**Public pensions** (General Regime)	Yes	Contri-butions	Not relevant, since it is Defined Benefit. To obtain net TRR, an employee contribution of 6.35% is considered.	Same as for 2013	Leg.	CPI indexation up to two years before retirement. Indexed according to ISG assumptions.	Leg.	CPI indexation. Indexed according to ISG assumptions (2% from 2015).	Ad-hoc[8]
	Occupational pensions	No								
	Private pensions	No								
FR	**Public pensions:** Private pensions scheme (CNAV)	Yes	Taxes / Contri-butions	Employers: 8.40% up to the SSC[9], plus 1.60% on the full wage; Employees: 6.75% up to the SSC, plus 0.10% on the full wage	Data of 2017. Constant contribution rate	Ad-hoc	Prices	Leg.	Prices	Leg.
	Occupational pensions: Complementary pension scheme (ARRCO, AGIRC)	Yes	Contri-butions	7.5% up to the SSC, plus 20.3% between one and three SSC. No distinction between employers and employees contributions[10]	Data of 2015. Constant contribution rate	Ad-hoc	Prices	Leg.	Prices	Leg.

[8] According to the law 23/2013, the indexation system has changed since January, 2014. Previously was used the CPI indexation and now is applied a new Pensions Adjustment Index (IRP), which is calculated according to different factors: number of contributory pensions, the variation of the average pension amount and the balance between revenues and expenses of the Social Security system. The index value will be in a range between a minimum of 0.25% and a maximum of the Consumer Price Index + 0.50%. This new IRP is applicable since 2014.

[9] SSC: "social security ceiling", wage ceiling which determines the contribution rate level. In 2013, the SSC is 3086 euros per month.

[10] In the TRR of ISG, it is favored an individual rights perspective. Consequently, the complementary pension system includes: ARRCO, AGIRC, not AGFF, CET.

Member State	Pension schemes (Country-specific)	Covered by TRR	Funding source	Scheme-specific assumptions						
				Contribution rates			Valorisation of pensionable earnings		Indexation of pensions in payment	
				2013	2053					
					Assumptions used for TRR projections	Legislated/ ad-hoc	Assumptions used for TRR projections	Leg./ ad-hoc	Assumptions used for TRR projections	Leg./ ad-hoc
	Private pensions	No								
HR	**Public pensions**	Yes	Contri-butions and general budget	Employer: none Employees: 20% - if not participate in the II pillar; 15% - if participate in the II pillar	Employer: none Employees: 20% - if not participate the II pillar; 15% - if participate in the II pillar	Leg.	30% CPI and 70% wage growth	Leg.	30% CPI and 70% wage growth	Leg.
	Occupational pensions	No								
	Private pensions (Mandatory fully funded DC scheme)	Yes	Contri-butions	Employees: 5%	Employees: 5%	Leg.	Market rate of return	Leg.	30% CPI and 70% wage growth	Leg.
IT	**Public pensions:** - DB (old scheme)	Yes	Contri-butions	33% in total Employers: 23.81%; Employees: 9.19%	33% in total Employers: 23.81%; Employees: 9.19%	Leg.	2% of life-long average earnings	Leg.	Inflation	Leg.
	- NDC (new scheme)						Average annual nominal GDP growth rate in current prices from the last 5 years			
	Occupational pensions	No								
	Private pensions	No								
CY	**Public pensions:** Social Insurance Scheme	Yes	Contri-butions	13.6[11]	20.6	Leg.	Wage index	Leg.	Wage indexation for basic part and CPI indexation for supplementary part. Freeze of indexation until 31.12.2016.	Leg.

[11] The contribution percentage is equally distributed to employer and employee. In addition to the contribution rate of 13.6% for 2013 and 20.6% for 2053, there is a general government contribution of 4.3% and 6.1% for 2013 and 2053 respectively.

Member State	Pension schemes (Country-specific)	Covered by TRR	Funding source	Scheme-specific assumptions						
				Contribution rates			Valorisation of pensionable earnings		Indexation of pensions in payment	
				2013	2053					
					Assumptions used for TRR projections	Legislated/ ad-hoc	Assumptions used for TRR projections	Leg./ ad-hoc	Assumptions used for TRR projections	Leg./ ad-hoc
	Occupational pensions	No								
	Private pensions	No								
LV	**Public pensions:** NDC	Yes	Contri-butions	18%	14%	Leg.	Contribution wage sum index	Leg.	No indexation until 2012. Extra indexation in 2013 for small pensions.[12]	Leg.
	Occupational pensions	No								
	Private pensions	No								
	Mandatory DC funded scheme	Yes	Contri-butions	2%	6%	Leg.	Market rate of return			
LT	**Public pensions** (Social insurance pensions)	Yes	Contri-butions	Employers - 23.3%; Employees - 0.5 %	Employers - 22.8%	Leg.	AWG assumptions for real growth of average wage	Ad-hoc	AWG assumptions for real growth of average wage	Ad-hoc
	Occupational pensions	No								
	Private pensions (Quasi-mandatory private scheme)	Yes	Contri-butions	Employees – 2.5%	Employers - 0.5%, Employees - 3% + 2%, State - 2% of country's average wage	Leg.	AWG assumptions for real interest rate	Ad-hoc	Not indexed	Ad-hoc
LU	**Public pensions:** General and public pension scheme	Yes	Taxes and contribu tions	24% (including tax-funding of 1/3 of contributions)	30%	Ad-hoc[13]	100% prices and 100% wages	Leg.	< 2020: 100% prices and 100% wages; > 2020: 100% prices and 50%	Leg.

[12] From 2014 - CPI and 25% of contribution wage sum growth, as well as a ceiling of indexed part of pension's amounts defined. In 2014 the ceiling on indexed part =285 EUR, but starting from 2015=50% of previous year's average contribution wage in state. However, pensions for persons with I group of disability, for politically repressed persons and for liquidators of the Chernobyl nuclear disaster will be indexed in full amount.

[13] Assumption based on 2014 AWG baseline scenario for private sector

Member State	Pension schemes (Country-specific)	Covered by TRR	Funding source	Scheme-specific assumptions						
				Contribution rates			Valorisation of pensionable earnings		Indexation of pensions in payment	
				2013	2053					
					Assumptions used for TRR projections	Legislated/ ad-hoc	Assumptions used for TRR projections	Leg./ ad-hoc	Assumptions used for TRR projections	Leg./ ad-hoc
									wages	
	Occupational pensions	No								
	Private pensions	No								
HU	**Public pensions:** PAYG DB: mandatory social insurance pension scheme)	Yes	Contri-butions	Employers: 27%; Employees: 10% (the contribution rate of the employers doesn't affect TRR)	Employees: 10% (the contribution rate of the employers doesn't affect TRR)	Leg.	Valorisation multiplicators are set in legislation in every March. The valorisation rates are based on increase of net average monthly salary.	Leg.	Indexation is set in legislation[14]	Leg.
	DC private pension system [15]	No								
	Occupational pensions	No								
	Private pensions	No								
MT	**Public pensions:** Two-Thirds pension scheme	Yes	Contri-butions	10% employee; 10% employer; 10% the state subject to ceiling	Same as in year 2013	Leg.	Inflation	Leg.	70% inflation and 30% wage growth	Leg.
	Occupational pensions	No								
	Private pensions	No								
NL	**Public pensions**	Yes	Taxes and contri-butions	Taxes: 25% Contributions: 75%					Inflation	Ad-hoc

[14] From 2012 pensions are annually adjusted to projected consumer prices.

[15] From October 2010 mandatory payment of the employees' contributions into the pension funds ceased, the whole contribution flows to the Pension Insurance Fund.

Member State	Pension schemes (Country-specific)	Covered by TRR	Funding source	Scheme-specific assumptions						
				Contribution rates			Valorisation of pensionable earnings		Indexation of pensions in payment	
				2013	2053					
					Assumptions used for TRR projections	Legislated/ ad-hoc	Assumptions used for TRR projections	Leg./ ad-hoc	Assumptions used for TRR projections	Leg./ ad-hoc
	Occupational pensions	Yes	Tax exemption, contributions and returns on investment	Tax exemption: 10% Contributions: 20% returns on investment: 70%					Inflation	Ad-hoc
	Private pensions	**Occupational** - yes	Tax exemption and contributions	Unknown					Inflation	Ad-hoc
		Private pensions individual - no								
AT	**Public pensions**	Yes	Contributions	22.8% (Employer 12.55%; Employee 10.25%)	22.8% (Employer 12.55%; Employee 10.25%)	Leg.	1.30% (assumption in line with the Ageing Report, EPC)		2.00%	Leg.
	Occupational pensions	No								
	Private pensions	No								

Member State	Pension schemes (Country-specific)	Covered by TRR	Funding source	Scheme-specific assumptions						
				Contribution rates			Valorisation of pensionable earnings		Indexation of pensions in payment	
				2013	2053					
					Assumptions used for TRR projections	Legislated/ ad-hoc	Assumptions used for TRR projections	Leg./ ad-hoc	Assumptions used for TRR projections	Leg./ ad-hoc
PL	**Public pensions**	Yes	Contri-butions to old-age pension insurance (19.52%) are financed in equal parts (9.76%) by employee and employer. Subject to ceiling.	19.52%	19.52%	Leg.	Mixed	Leg.	CPI + 20% real wage growth	Leg.
	National Scheme:			-	-		-			
	ZUS			12.22%	12.22%		Nominal value of gross written premiums			
	Sub-account			4.50%	7.30%		Average annual GDP growth rate in current prices from the last 5 years			
	Founded Scheme (OPF)			2.80%	-		Real (market) interest rate			
	Occupational pensions	No								
	Private pensions	No								
PT	**Public pensions**	Yes	Contri-butions	34.75% (23.75% employers; 11% employees)	34.75% (23.75% employers; 11% employees)	Leg.	Reference earnings are projected according with labour productivity growth and adjusted according to the Consumer Price Index (CPI)	Leg.	According with CPI and GDP growth	Leg.
	Occupational pensions	No								
	Private pensions	No								
RO	**Public pensions**	Yes	Contri-butions	a) 31.3% for normal working conditions, of which 10.5% for the employee and 20.8% for the employer;	a) 26.3% for normal working conditions, of which 10.5% for the employee and 15.8% for the employer; b) 31.3% for difficult	Leg. (Law 263/2010)			a) Starting on 1/1/2012, the pension point value will be annually indexed at 100% of inflation rate plus	Leg. (Law 263/2010)

Member State	Pension schemes (Country-specific)	Covered by TRR	Funding source	Scheme-specific assumptions						
				Contribution rates			Valorisation of pensionable earnings		Indexation of pensions in payment	
				2013	2053					
					Assumptions used for TRR projections	Legislated/ ad-hoc	Assumptions used for TRR projections	Leg./ ad-hoc	Assumptions used for TRR projections	Leg./ ad-hoc
				b) 36.3% for difficult working conditions, of which 10.5% for the employee and 25.8% for the employer; c) 41.3% for special working conditions, of which 10.5% for the employee and 30.8% for the employer.	working conditions, of which 10.5% for the employee and 20.8% for the employer; c) 36.3% for special working conditions, of which 10.5% for the employee and 25.8% for the employer.				50% of real increase of the average gross wage of the previous year. If one of these is negative, only the positive value will be considered. b) Starting on 2021, the pension point value will be annually indexed with 100% inflation rate plus 45% of the real increase of the average gross wage of the previous year. The percentage attached to the real increase of the average gross wage will be gradually reduced by 5% each year; starting on 2030, the pension point value will be indexed annually by 100% inflation rate.	
	Occupational pensions	No								
	Private pensions	No								

Member State	Pension schemes (Country-specific)	Covered by TRR	Funding source	Scheme-specific assumptions						
				Contribution rates			Valorisation of pensionable earnings		Indexation of pensions in payment	
				2013	2053					
					Assumptions used for TRR projections	Legislated/ ad-hoc	Assumptions used for TRR projections	Leg./ ad-hoc	Assumptions used for TRR projections	Leg./ ad-hoc
SI	**Public pensions**	Yes	Contri-butions	8,85% employer; 15.50% employee	8.85% employer; 15.50% employee	Leg.	Wage indexation[16]	Leg.	60% wages and 40% consumer price index	Leg.
	Occupational pensions	No								
	Private pensions	No								
SK	**Public pensions** (Mandatory PAYG, earnings related scheme (2010 and 2050))	Yes	Mixed (contributions + state budget)	28.75%	24.75-22.75%	Leg.	Wage growth	Leg.	Combination wage growth and price index in the transitional period: 2013 - 50% to 50%; 2014 - 40% to 60%; 2015 - 30% to 70%; 2016 - 20% to 80%; 2017 - 10% to 90% and 2018 and thereafter 100% CPI for households of pensioners. [17]	Leg.
	Occupational pensions	No								
	Private pensions (Mandatory fully funded, DC scheme)	Yes	Contri-butions	n.a.	4-6%	Leg.	Market rate of return	Ad-hoc: AWG assumption (3% for	Price index	Assumption used by OECD in the APEX

[16] Changes notable in the TRR (2013 comparing with 2010) due to pension reform ZPIZ-2 and austery measures: Valorisation of the past earnings is linked to the growth of average wage (100%), and exactly in the year 2013 the rule of indexation changed from 100% wage indexation to the indexation 60% of growth of wages and 40% of growth of consumer price index. Austerity measures: indexation of pensions are frozen till the end of 2015.

[17] In the transitional period from 2013 to 2017 pensions are indexed by fixed amount.

Member State	Pension schemes (Country-specific)	Covered by TRR	Funding source	Scheme-specific assumptions						
				Contribution rates			Valorisation of pensionable earnings		Indexation of pensions in payment	
				2013	2053					
					Assumptions used for TRR projections	Legislated/ ad-hoc	Assumptions used for TRR projections	Leg./ ad-hoc	Assumptions used for TRR projections	Leg./ ad-hoc
								baseline)		model [18]
FI	**Public pensions:** Earnings-related pension	Yes	Contri-butions	Private-sector contributions under the Employees Pensions Act (TyEL) in 2013, pension contributions on average (% of wages) 22.8%. Employee's share 5.15% aged under 53 and 6.50% aged 53 and over.	Employee's share 6.25% aged under 53 and 7.95% aged 53 and over.	Leg.	Wage coefficient (20% price, 80% wage)	Leg.	Earnings-related pension index (80% price, 20% wage)	Leg.
	National pension	Yes	State finances national pension scheme			Leg.			50% price, 50% wage	Leg. (indexed to prices)
	Occupational pensions	No								
	Private pensions	No								
SE	**Public pensions**	Yes	Contri-butions + taxes (guaran-	7% employer; 10.21% employee	7% employer; 10.21% employee	Leg.	Wage growth; Market rate of return	Leg.	Wage growth – 1.6 p.p; Market rate of return	Leg.

[18] According to passed annuity amendment indexation of life annuities is voluntary (person could decide). Nowadays the percentage of indexation is 2% (according the main goal of ECB). The percentage level could be changed by National Bank of Slovakia, but NBS should take into account the main goal of ECB. When the saver chooses the life annuity with the indexation the percentage of indexation is the same for the whole pay out phase, it is not changing during the years.

Member State	Pension schemes (Country-specific)	Covered by TRR	Funding source	Scheme-specific assumptions						
				Contribution rates			Valorisation of pensionable earnings		Indexation of pensions in payment	
				2013	2053					
					Assumptions used for TRR projections	Legislated/ ad-hoc	Assumptions used for TRR projections	Leg./ ad-hoc	Assumptions used for TRR projections	Leg./ ad-hoc
			tee pension)							
	Occupational pensions	Yes	Contri-bution	n.a.	4.5 %	Ad-hoc	Market rate of return	Ad-hoc	Market rate of return	Ad-hoc
	Private pensions	No								
UK	**Public pensions**	Yes	Contri-butions	25.8% [19]	25.8%	Leg.	Average wage growth[20]	Ad-hoc	3.87%[21]	Ad-hoc
	Occupational pensions	Yes	Contri-butions	8%	8%	Ad-hoc	Various[22]	Ad-hoc	Prices	Ad-hoc
	Private pensions[23]	No								

[19] The contribution to the statutory scheme stands at 25.8% (13.8% from employers and 12% from employees). However income below the primary/secondary threshold is exempt and different rates would apply to any income above the Upper Earnings Limit. The contribution covers some social benefits other than pensions such as the National Health Service.

[20] For the current Additional State Pension, increases would be linked to average wage growth. The current Basic State Pension is determined by the number of contributing years, as will be the New State Pension.

[21] Based on the Ageing Working Group's long-term economic assumptions when the AWG assumptions are applied.

[22] Occupation pensions are treated as defined contribution schemes, and valorisation is based on fund growth. This is linked to bond and equity returns, prices and other growth indices. The modelling also includes assumptions about a lifestyling shift to bond assets in later life.

[23] Normally referred to as 'Personal pensions' in the UK.

Table 2: Coverage information, 2013

Member State	Coverage rate		
	Coverage of statutory pensions (% of persons enrolled in the labour force)	Active membership of occupational (or private in general) pension schemes (as % of the labour force)	Means-tested benefits (such as housing) (as % of population 65+)
BE	100	75.0	
BG	100	n.a.	n.a.
CZ	100	n.a.	2.0*
DK	100	90-95 *	26 **
DE	85	70.0	3.0
EE	100		General social assistance scheme, no specific benefit for old-age.
IE	88.4	51.0	0.0
EL	100	Very low rate	
ES	82	43.47 *	19.5
FR	80	n.a.	4.2
HR	80.31*		
IT	87.9*	n.a.	6.4**
CY	100	39.8	40.9
LV	100*		
LT	100	76.0	n.a.
LU	100		1.0
HU	90,64*		
MT	100	n.a.	5.0
NL	100	90-95	2.0
AT	100		9.3
PL	53,5*	6.2	
PT	80*	62.0**	n.a.
RO	100		
SI	100	*	
SK	90.6	53.3	1.9
FI	100	About 5.0*	9.6**
SE	100	90.0	14.0
UK	100	85.0	19.6

***** *Notes:*

CZ: Estimate based on number of households with 65+ head receiving benefits. Does not reflect 65+ persons living together in households.

DK: *Depending on definition. Vary between subgroups. Relative lower rates for self-employed persons aged less than 25-30 years, and to some extend also for part-time employed. **Number of pensioners receiving Individual Housing Benefits: a special scheme for old age pensioners where benefits are calculated on the basis of objective criteria.

IE: Estimate based on Class a Social Insurance contributors in 2013 as a percentage of CSO QNHS Q3 2013 Labour Force (20-64 year olds). CSO QNHS Q4 2009 showed 51% of persons in LF had a private pension.

ES: Active members of occupational and private schemes as % of the labour force is 43.47% in 2013, compared with 46.95% in 2010.

HR: Statutory pensions are considered to be the public PAYG system (I pillar) and mandatory fully-funded DC privately managed system (II pillar). Coverage rate refers to an average number of insured persons in 2013 as a percentage of the labour force (15-64).

IT: *Number of insured persons in the statutory pension system (INPS) as percentage of labour force aged 15–64. Professionist workers are excluded. **Number of mean-tested benefits as percentage of population +65 (*Source: INPS – Rapporto annual 2013*).

LV: The statutory pension scheme covers all contributors.

HU: *Number of insured persons in the statutory pension system as percentage of economically active population aged 15–64. The statutory pension scheme covers all contributors.

PL: Number of insured persons in the statutory pension system (excluding individual farmer's scheme and uniform's services) as percentage of economically active population aged 15–64.

PT: *Number of workers contributing to statutory pensions as a percentage of employed population (Eurostat, 30.09.2014); **Active members of occupational and private schemes as a % of employed population (Eurostat, 30.09.2014).

RO: 5,224,882 - number of pensioners; 5,612,413 - number of contributors.

SI: Voluntary and private pension insurance in Slovenia exists under different insurance contracts. The data collectors are not state institutions which poses some risk to calculate the right values.

FI: *This percentage represents occupational private pension contracts. In addition, about 20% have individual pension contracts. **9.6% of the 65+ population actually receive housing benefits even though in principle all pensioners are entitled to them if income and housing cost requirements are met.

Table 3: Macro-economic historical data for Theoretical Replacement Rates

	Gross average earnings (after employers' social security contributions) in national currency, 2013	**Net average earnings in national currency, 2013**	**Average annual earnings growth**		**Average annual GDP growth**		**Average annual inflation**		**Average annual interest rates**	
			1973 - 2013	**2013 - 2053**	**1973 - 2013**	**2013 - 2053**	**1973 - 2013**	**2018 - 2053**	**1973 - 2013**	**2024-2053**
BE	39,870 EUR	23,590 EUR	4.5%	1.12		1.77		2.0		3.0
BG	10,762 BGN	8,436 BGN	10.0%	2.47	3.6%	1.54	5.5%	2.0	3.6%	3.0
CZ	300,936 CZK	231,996 CZK	6.40%	1.63	n. a.	1.62	4.67%	2.0	n. a.	3.0
DK	411,534 DKK	:	2.73% (1993-2013)	1.44	1,6%	1.89	2.1% (1993-2013)	2.0	4.71% (1993-2013)	3.0
DE	30,755 EUR	20,494 EUR	2.05% (1992-1913); 3.0% (1973-1913)	1.45	1.29% (1992-1913); 1.8% (1973-1913)	0.98	1.84% (1992-1913); 2.6% (1973-1913)	2.0	4.72% (1991-1913); 6.1% (1973-1913)	3.0
EE	11,388 EUR	9,084 EUR	n.a	2.17	n.a	1.46	n.a	2.0	n.a	3.0
IE	36,771 EUR	24,742 EUR	2.1%	1.40	3.835	1.58	5.882	2.0	2.5%	3.0
EL	:	:	:	0.99	:	0.92	:	2.0	:	3.0
ES	22,653 EUR	17,887 EUR *	*	1.33	9.8%	1.46	6.8%	2.0		3.0
FR	33,359 EUR	26,133 EUR	5.7%	1.17		1.59		2.0		3.0
HR	96,390 HRK *	66,941 HRK	4.1% (1999-2013)	1.69	n. a.	1.48	3.1% (1999-2013)	2.0	n. a.	3.0
IT	29,097 EUR	19,889 EUR	2.91%*	1.08	2.58%*	1.33	6.97%*	2.0	n.a.	3.0
CY	25,728 EUR	23,083 EUR	3.8%	1.08	3.6%	1.88	4.6%	2.0	n.a.	3.0
LV	7,128 EUR	5,006 EUR	n.a.*	2.69	n.a.*	1.64	n.a.*	2.0	n.a.*	3.0
LT	7,750 EUR*	6,009 EUR	n.a	2.60	n.a	1.24	n.a	2.0	n.a	3.0
LU	48,570 EUR	35,621 EUR	1.45%	1.06	7.49%	2.68	3.48%	2.0	n.a.	3.0
HU	2,768,568 HUF	1,813,416 HUF	11.30%	1.93	1.6%	1.65	10.2%	2.0		3.0
MT	19,377 EUR*	15,320 EUR	3.6%	1.37	2.1%*	1.81	3.5%	2.0	n.a.	3.0
NL	31,861 EUR	22,431 EUR	n.a.	1.21	n.a.	1.23	n.a.	2.0	n.a.	3.0
AT	24,863 EUR	21,192 EUR	4.4%	1.27	5.5%	1.52	3.4%	2.0	n.a.	3.0
PL	43,801 PLN	31,322 PLN	6% (1999-2013)	2.21	7% (1999-2013)	1.78	3.59% (1999-2013)	2.0		3.0
PT	16,250 EUR	12,031 EUR	1,33%	1.50	2.4%	1.04	10.2%	2.0	n.a	3.0
RO	25,956 RON	18,948 RON		2.35		1.75		2.0		3.0
SI	18,278 EUR*	11,964 EUR	3.5%*	1.45	0.72%*	1.33	2.7%*	2.0	2.7%*	3.0
SK	9,888 EUR	8,355 EUR	6.4%	2.22	3.4%	1.73	5.2%	2.0		3.0
FI	36,871 EUR	26,236 EUR	6.7%	1.20		1.40	5.0%	2.0		3.0
SE	336,981 SEK	255,750 SEK	5.8% (nominal)	1.50	not used	2.11	4.7% (nominal)	2.0	11.9% (average nominal asset return)	3.0
UK	27,493 GBP	21,513 GBP	7.31%	1.18	7.5%	1.73	6.3%	2.0	7.4%	3.0

Notes:

: - data not provided by the Member State (**EL**), n.a. – not available.

BG: Gross average earnings in 2013 cover wage bill per employee in BGN at current prices based on SNA (ESA 95), however national accounts data do not provide information related to net average earnings. From the point of view of consistency of all required variables, historical data refer to the period 2000-2013.

ES: There's no equivalent series of average earnings since 1973. Net Average Earnings once deducted social contributions and taxes.

HR: Average earnings in 2013 are presented according to national statistics data and they are different from data used by Ageing Working Group. Macroeconomic data in the period 1973-2013 are not available due to lack of consistency and reliability in long term data series caused by changes in definitions of key variables and episodes of hyperinflation in the past.

IT: Average annual earnings and GDP growth refer to the period 1995-2013 where statistical bases are omogeneous (source: ISTAT – data base). Historical data average could mismatch with previous bases.

LV: According to Latvian design of the NDC scheme's transition provisions, insurance period until the year 1995 (inclusive) is credited with an initial capital, calculated using an average contribution wage of individual in 1996-1999 (four years). Average annual growth of the average contribution wage 1996 - 2013 (included): 9.3%. Average annual growth of contribution wage sum 1996-2012 (indexes for time period 1996-2012 are used for indexation of NDC capital for retirees in 2013): 9.8%.

LT: Average earnings in 2013 are presented according to national statistics data and they are different from data used by Ageing Working Group. Macroeconomic data in the period 1973 - 2013 are not available due to lack of consistency and reliability in long term data series caused by changes in definitions of key variables and episodes of hyperinflation in the past.

MT: Source: ESA 2010, data in real terms. The ESA 2010 is available for the period 1995-2013 with respect to current prices and the period 2001-2013 for real prices. The historic data for period 1973-1994 are not available. MT has taken 2012 averages as full calendar year prior to retirement in 2013.

AT: Average earnings in 2013 are presented according to national statistics on average contribution basis for pension insurance (ASVG) and they are different from data used by Ageing Working Group.

SI: Historical data refer to period 2005-2013 (SIT *vs* EUR exchange rate has been fixed in 2005). The main reason is a good compatibility of all required data in this period. Average annual interest rate is based upon Basic Interest Rate. *Data source: Statistical office of R Slovenia (SORS).*

Table 4: Assumed Standard Pensionable Ages (used in the TRR calculations)

	1) Standard pensionable age used in calculations base case variant II (case 1b) *(1)*				2) Standard pensionable age used in calculations for all other cases *(2)*				3) Standard pensionable age used in calculations for case 9) on early retirement due to unemployment *(3)*	
	2013		2053-		2013		2053-		2053-	
	Men	*Women*	*Men*	*Women*	*Men*	*Women*	*Men*	*Women*	*Men*	*Women*
BE	65		65		65		65		65	
BG	63.7	60.7	65	63	63.7	60.7	65	63	n.a.	
CZ	62.5		68.3		62.5		68.3		68.3	
DK	65		67							
DE	65.2		67							
EE	63	62	65		63	62	65	65	62	62
IE	65		68		65		68		68	
EL	62		62		60-65	62-67	62-67		62	
ES	65		65		65		65		64	
FR	65		67		65		67		67	
HR	65	60.8	67		65	60.8	67		62	
IT	66.3	62.3	70.3		66.3	62.3	70.3		70.3*	
CY	65		68.5		65		68.5		68.5*	
LV	62		65		62		65		65	
LT	62.7	60.6	65		62.7	60.6	65		60	
LU	57		57		60		60		60	
HU	62		65		62		65		65	
MT	62		65		62		65		65	
NL	65.1		67		65.1		67		67	
AT	65	60	65		65		65		65	
PL	65.1	60.1	67		65.1	60.1	67		62	
PT	65		68.4		65		68.4		63.4	
RO	64.8	59.8	65	63	64.8	59.8	65	63	60	
SI	60		60		65		65		65	
SK	62		66		62		66		64	
FI	65		65		65		65		65	
SE	65		65		65		65		65	
UK	65	61.3-61.8	68		65	61.3-61.8	68		*	

Notes:

(1) Only for case **1b)**: Standard pensionable age (SPA) - the earliest age at which an individual with a **40-year career** can retire without any exit penalty in 2053.

(2) Standard pensionable age (SPA) (for calculations of the future TRRs for all cases except case **1b**) - the earliest age at which an individual who is born in 1988 and commences his/her career in 2013 at age 25 can retire without any exit penalty

(3) The age at which an individual with a full career up to 5 years prior to SPA would actually claim a pension rather than rely on unemployment/social benefits

** Country specific comments:*

BE: The SPA for BE is 65 in all cases, both in 2013 and 2053 as the legislation applicable on 1.1.2013 doesn't foresee measures influencing the penalisations.

BG: According to the current pension legislation, two qualifying conditions are required for eligibility for an old age pension in 2053 – 65 (63) years attained age for male (female) and 40 (37) years length of service for male (female). Under the assumptions for case 9, an old age pension could be drawn out at age 67 when at least 15 years length of service is required.

ES: For this persons retirement benefit there are different options. The worker can rely on unemployment benefit for a maximum of two years, and then, he/she can either wait till he/she reaches the legal retirement age (in this case it would be 65 years) or apply for early retirement at the age of 62 in 2013 (in this case, his/her benefit would be reduced a 22.50%) and 64 in 2053 (the benefit will be reduced a 21%).

IT: *The SPA (old age pension) in 2013 is 66 years and 3 months for men (all sectors) and women of the public sector. For female employees and the female self-employed, the SPA is temporarily lower (respectively, 62 years and 3 months and 63 years and 9 months, in 2013), until to 2018. A contribution requirement of 20 years is also required. Early retirement, regardless of age, is allowed with 42 years and 5 months of contribution for men and 41 years and 5 months for women, in 2013 (both increased by 1 month in 2014). The newly insured after 1995 may also retire earlier than the SPA, up to a maximum of 3 years, with 20 years of contributions and a pension of at least 1,200 euro per month in 2012 (2.8 times the old-age allowance, in 2012, indexed with the five-year average of nominal GDP). From 2013, the SPA, the contribution requirements for early pensions regardless of age and the age requirement for early pensions under the NDC regime are all indexed to changes in life expectancy at 65, every three years up to 2019 and every 2 years as of 2021 (next update is 4 months, in 2016). According to the official demographic projections (Istat, main variant, base year 2011), the cumulative increase of the eligibility requirements is 4 years and 1 month, in 2053.

CY: *It is assumed that the individual receive social welfare benefit up to SPA of 68.5.

PL: current TRR with SPA calculated only for case 1b and 2a.

PT: Comment on case 1b: According with legislation approved December 2013, Portugal had increased the pensionable age to 66 (enters into force in 2014), and from that year on the retirement age will be linked to life expectancy.

Comment on case 9: Accordingly with legislation a person which had become unemployed at the age of 57 or more; had complete the contributory period; exhausted the unemployment benefit; still unemployed, could claim the old age pension at the age of 62.

The PSA included in the table, follows the information provided under the table1) included in the ISG document: SPC/ISG/2014/6/2.2, from 17 of June.

SI: The most important criterion is the pensionable age set to 40 years in SI legislation. In Case 1b a person started working at age 20. If he started working at the age of 25, he cannot exit at 60 (cannot do that with penalties either). But, at the age of 65 he can exit provided that his pensionable age is at least 15 years. See legislation ZPIZ-2 Article 27.

UK: In 2013, different Standard pensionable ages applied in the UK for men and women. Standard pensionable ages for men and women began to be gradually harmonised in 2010. Full harmonisation will be achieved by 2018 at which point both men and women will have the same Standard pensionable age. In 2013, part way through this process, men reached their Standard pensionable age at 65 years, whilst women reached Standard pensionable age between 61.3 years and 61.8 years, depending upon their date of birth. Prior to an individual reaching the Standard pensionable age there is no early access to the State Pension in the UK. Individuals in these circumstances may qualify for other forms of support.

Table 5: Description of minimum income provision for older people

MS	Name of MIPOP	Description
AT	**Compensation supplement to pension** *Ausgleichszulage zu Pensionen aus der Pensionsversicherung (="Ausgleichszulage")*	Tax financed top-up provided from the statutory pension system (that is mainly contributory) under the means test (for eligibility and amount) applied against income (pension, total personal income and household income) that results in tapered withdrawal. The compensation supplement *(Ausgleichszulage)* is due in the amount of the respective difference (for single pensioner to €857.73 per month and for a pensioner living in the same household with spouse to €1,286.03 per month). No minimum age but minimum period of insurance of 15 years is required.
	Means-tested minimum income scheme *Bedarfsorientierte Mindestsicherung*	Tax financed **general social assistance** scheme for the entire population, no age condition, residency status required. Modernized version of the former social assistance (*Sozialhilfe*) which was in force until 2011. The aim of means tested minimum income scheme is to provide a decent life for people who are not able to meet their daily living costs or those of their family members with their own resources. Means tested for eligibility and amount against total personal and household income, assets test applies.
BE	**Guaranteed minimum pension for the full career – for employed** *Gewaarborgd minimum pensioen voor een volledige loopbaan voor werknemers/Pension minimale garantie pour une carrière complète de travailleur salarié*	Contributory minimum pension benefit conditional upon the minimum contribution period requirement of 2/3 of the full insurance period of 45 years, with professional activity completed of at least 1/3 in full time employment. provided at age 65 with 35 years of insurance period, or at age 61 with 39 contribution period (further increase to age 63 with 42 years of contribution period in a transitional period ending in 2019) or full minimum pension with 45 years contribution period. The amount is proportionally decreased in line with the real career length compared to a full career (45 years). It is not behaving like a top-up amount to a defined minimum. Not means tested.
	Minimum entitlement per career year – for employed *Minimumrecht per loopbaanjaar/Droit minimal par année de carrière*	Low wage earners with at least 15 years of 1/3 in full time employment are entitled to a minimum for each career year calculated on the basis of a minimum guaranteed pay for the complete career as far as the annual pension for a complete career does not exceed certain maximum for a single person and for a household. No means test.
	Guaranteed minimum pension in case of a mixed career *Gewaarborgd minimumpensioen voor een gemengde loopbaan/Pension minimale pour carrière mixte*	Self-employed persons are entitled to minimum pension under the same age and period requirements as employed but different annual pension ceilings test applies for a single person and for a household). In case of mixed career (employment and self-employment) the combined pension cannot exceed the employed workers pension for the same career length. In case of entitlement to the guaranteed minimum pension the amount will be limited to the guaranteed minimum calculated for employed persons. No means test.
	Guaranteed income for elderly persons (IGO-GRAPA) *Inkomensgarantie voor Ouderen (IGO) – Garantie de ressources aux Personnes Âgées (GRAPA)*	Tax financed specific social assistance for older people, who have no pension rights based on occupational activity or whose pension rights are very low and therefore have insufficient means of subsistence. Provided from age 65 under the residence status condition, no period requirement. Means tested for eligibility and amount against the total personal and household income, including assets test.
BG	**Minimum pension (full contributions to the PAYGO pension scheme)** *ПЕНСИЯ ЗА ОСИГУРИТЕЛЕН СТАЖ И*	Contributory minimum pension provided at age of 63 years and 8 months with the insurance period of 37 years and 8 months (men) or 60 years and 8 months (women) with the insurance period of 34 years and 8 months. No means test. It is not behaving like a top-up amount to a defined minimum.

MS	Name of MIPOP	Description
	ВЪЗРАСТ	
	Minimum pension (15 years of contributions to the PAYGO) *ПЕНСИЯ ЗА ОСИГУРИТЕЛЕН СТАЖ И ВЪЗРАСТ ЗА ЛИЦАТА, ПРИДОБИЛИ 15 ГОДИНИ ОСИГУРИТЕЛЕН СТАЖ*	Contributory minimum pension based upon the 15 years minimum insurance period provided at age 65 years and 8 months (men and women). No means test. It is not behaving like a top-up amount to a defined minimum.
	Social old-age pension *СОЦИАЛНА ПЕНСИЯ ЗА СТАРОСТ*	Tax financed specific social assistance provided from pension system as an alternative to minimum pension to persons of 70 years of age (men and women) who did not earn a pension. No residence/ insurance period requirement. Means tested for eligibility (against total personal income and income per member of household) but no means test for the amount of benefit.
	Social assistance *СОЦИАЛНО ПОДПОМАГАНЕ*	Tax financed benefits from the **general social assistance** scheme, in cash or in kind, supplementing or providing an income to guarantee the basic living needs or meet incidental needs of individuals and families. Provided to persons having exhausted all other possibilities for self-support and support by their relatives. Residence status required but no age or qualifying period condition. Means tested for eligibility and amount.
CY	**Minimum pension** *(GSIS)*	Contributory pension benefit guaranteed under the General Social Insurance Scheme (GSIS) - defined benefit point system. Provided at age 65 (men and women) with insurance period of 14.85 insurance points in the basic insurance (1 insurance point: equal to 52 times the weekly basic amount = €9,068) – the same for the minimum and maximum MIPOP amount. No means test.
	Social pension *Κοινωνική Σύνταξη*	Tax financed specific social assistance for older people. Pension for residents who have no or have low pension income in old-age. Financed by the Consolidated Fund. Means tested against the beneficiary's pension income. Provided at age 65 for both men and women, with the residence period in Cyprus of 20 years after age 40, or 35 years after age 18. Means tested for eligibility and amount against the pension income.
	Scheme supporting pensioners' households with low income *Σχέδιο ενίσχυσης νοικοκυριών συνταξιούχων με χαμηλά εισοδήματα*	Tax-financed, means-tested cash benefit scheme addressed to pensioners' households whose total annual income is below the poverty threshold. It covers households having their legal residence in Cyprus and including at least one pensioner (old-age, invalidity, widow/er). The amount of the grant to pensioners depends on the number of people in the household and the level of the household income.
	Guaranteed Minimum Income (GMI)	Effective from 1 July, 2014, the Guaranteed Minimum Income (GMI) scheme was introduced and replaced the previous **general social assistance** benefit with the aim to supplement the minimum living costs (basic needs including housing and taxes) of all persons that find themselves unable but willing to earn an adequate level of income. The GMI scheme is a means-tested benefit targeting families with income that is not adequate to cover their basic needs. The basic allowance is based on the level of Minimum Consumption Basket (which includes nutrition, clothing and footwear, water supply, electricity, etc.), that was established using the reference budget method.
CZ	**Allowance for Living** *Pomoc v hmotné nouzi*	Tax financed **general social assistance** scheme. Guaranteed minimum support benefits are provided in the System of Assistance in Material Need (SAMN) - a general social assistance scheme for people with insufficient income, with residence status but with no age or period requirements. Allowance for Living is a recurrent benefit provided to a person or a family in case of insufficient income to ensure basic needs. Other types of benefits are additional benefits (for housing, immediate assistance, etc). Means tested against total personal income, household income and assests for eligibility. Means test has no impact to the amount of benefit.

MS	Name of MIPOP	Description
		CZ does not apply any type of specific MIPOP scheme.
DE	**Means-tested benefits from social assistance** *Grundsicherung im Alter und bei Erwerbsminderung*	**General social assistance** benefit provided to all residents after age 18, including older persons as of the statutory retirement age or in case of receiving a disability pension if they have no other or not enough subsistence means. The age eligibility criteria for older peopleis the statutory retirement age with no period requirements (being still the general social assistance benefit). Benefits are means tested for eligibility and amount against pension income, total personal income and assets. DE does not apply any type of specific MIPOP scheme.
DK	**Public old-age pension** *Folkepension*	Universal flat rate pension based upon the residence period in Denmark. Full pension for 40 years residence period, pension for shorter period granted on a proportional basis, minimum residence period required is 3 years. Public old-age pension is a basic, tax-financed pension meant to secure all citizens a reasonable minimum income when they retire, payable from age 65 (age will increase to 67 in a transitional period from 2019-2022). It consists of a basic pension, a pension supplement and a supplementary pension amount. Public old-age pension is not dependent on the pensioner's previous attachment to the labour market or previous earnings, but only on the pensioner's present income and marital status (different amount for singles and couples). No assets test for the basic amount and the pension supplement. Basic pension is means tested for the amount - against beneficiary's personal income from work, with tapered withdrawal impact on the amount of benefit, while the pension supplement and the supplementary pension amount is means tested against total couple household income, including private pensions with tapered withdrawal impact on the benefit amount. The supplementary pension amount is tested against the household assests for eligibility.
	Cash assistance *Kontanthjælp*	Cash assistance is a specific social assistance benefit for older people alternative to public pension. It is provided at retirement age to persons who do not qualify for the public old-age pension and have no other income. Residence period is not required. It is means tested both for eligibility and the amount against personal pension and other income, including the household income and assets. The means test has the effect of tapered withdrawal.
EE	**National pension** *Rahvapension*	The national pension is a specific social assistance for older people as alternative to contributory pension. It is a tax-financed universal scheme guaranteeing a national pension for persons who have attained 63 years of age and who did not earn an old-age pension, provided under the condition of having completed the residence period in Estonia of at least five years immediately before making a pension claim. Means test does not apply and the marital/cohabitation status does not have the impact on the amount.
	Subsistence benefit *Toimetulekutoetus*	Tax financed **general social assistance** cash benefit administered by local municipality governments. The right to receive subsistence benefit is given to a single person or a family whose monthly net income, after the deduction of the pre-defined amount for housing, is below the subsistence level. No age or period requirement.
EL	**Minimum pension** *ΚΑΤΩΤΑΤΗ ΣΥΝΤΑΞΗ*	For persons insured since 1/1/1993: The minimum pension equals 70% of the minimum wage of a married worker. It is revised according to the State's income policy.
ES	**Minimum pension** *Pensiones mínimas*	Tax financed top up to the defined minimum amount of contributory pension. No age or period condition. Means tested against the total personal income (singles and couples) for eligibility and amount.

MS	Name of MIPOP	Description
	Non-contributory old-age pension *Pensiones no contributivas de jubilación*	Taxed financed minimum pension in fixed amount, provided at age 65 with residence/insurance period of 10 years. Means tested for eligibility against the income per household members.
	Non-contributory incapacity pension ***Pensiones no contributivas de incapacidad***	Taxed financed fixed amount, residence/insurance period requirement of 5 years and a certain level of incapacity to work. Means tested for eligibility against the income per household members. Paid also in old age. Paid until age 65, when the pension benefit turns into Non-contributory old-age pension without changing the amount.
FI	**National Pension** *Kansaneläke*	Tax financed universal flat rate pension for persons of 65 years of age, based upon residence period completed after the age of 16**.** Minimum residence period of at least 3 years, 40 years for full pension. Early pension at age 63, with penalty of 0.4% respectively for each month between the effective retirement and the statutory retirement age. Pension deferred beyond age 65 is increased proportionally. Means tested against the pension income that has the reducing impact to the amount of pension or above a certain level of income the pension is not paid. For years of residence below 80% of the period between the ages of 16 and 65, the pension is adjusted in proportion to the length of residence. The amount of pension depends also on the family situation - living in the same household in a relationship (marriage/cohabitation/registered partnership) - different amount for singles and couples.
	Guarantee Pension *Takuueläke*	Tax financed universal flat rate pension. The basic conditions are the same as for the National Pension (age and period, including the early pension). Means tested against the total personal pension income (earnings-related pension + National Pension). Eligible are also immigrants at age 65 with residency status who do not receive national pension. Other pension income is deducted from the full amount of the guarantee pension. The guarantee pension is not reduced by earnings, capital income or assets. Its amount is also not affected by the care-allowance for pensioners, the housing allowance for pensioners or the informal care allowance. Marital status does not have impact on the amount of benefit.
	Social Assistance *Toimeentulotuki*	**General social assistance** is provided by municipalities. No age or period requirement. The aim of the benefit is to ensure at least the minimum subsistence for the person (family). The assistance is provided if a person (family) is temporarily without sufficient means to meet the necessary costs of living. The benefit is financed by local taxes and state subsidies.
FR	**Minimum contributory pension** *Minimum contributif (MICO)*	Contributory top up to a pension. Different top up if the contributory period is under or over 120 quarters of the year (over 120 quarters a bonus is applied - MICO with bonus is called MICO majoré). Means tested for eligibility and the amount against the pension income, personal and household income.
	Solidarity allowance for elderly *Allocation de solidarité aux personnes âgées (ASPA)*	Tax financed specific social assistance for older people in the form of the independent benefit for those with no pension entitlement or the top up to old-age pensions for those with the lowest pensions up to a minimum amount. Provided at statutory pensionable age with at least minimum insurance period or at age 65 (67 depending on the generation) regardless of the insurance period. Means tested for eligibility and the amount against pension income, total personal and household income.
HR	**Minimum pension** *Najniža mirovina*	Contributory minimum pension from PAYGO pension scheme under the same age and insurance period requirements as for normal old-age, invalidity or survivors' pension. Top up to the value of pension per qualifying year of working history. Minimum value of pension per qualifying year is defined as 0.825 % of the average gross salary of all employees in Croatia in the year of 1998, indexed to the level of the year of entitlement (valorization). Minimum qualifying period for old-age pension is 15 years. No means test.

MS	Name of MIPOP	Description
	General social assistance *Socijalna pomoc*	Tax financed **general social assistance** scheme covering the entire population and providing benefits in kind and differential cash benefits. Entitlement is means tested and conditional upon inability to secure one's subsistence through own work, rights arising from work or insurance, income from property or other sources (including benefits), receipts under other regulations, assistance of the persons obliged to support the person concerned. Residence status required. Means tested for eligibility and amount.
HU	**Minimum old-age pension** *Öregségi nyugdíjminimum*	Contributory top up to the amount of minimum pension provided by the PAYGO scheme at the statutory pensionable age with minimum 20 years of insurance period if the pension base is below the minimum wage. No means test.
	Old-age allowance *Időskorúak járadéka*	Tax financed income support that ensures minimum income in old age if the person did not earn a pension or has earned a very low pension. The amount of old-age assistance is defined as a top up to the current income up to 80, 95 or 130 per cent of the minimum old age pension, respectively. It is provided at the statutory retirement age under a residence status. The means test applies for eligibility against total personal and household income, no assets test.
IE	**State Pension (non-contributory)**	Tax financed specific social assistance for older people who habitually reside in Ireland and are aged 66 or over and who do not have the required level of social insurance payments or credits for the full contributory State pension. Means tested against total personal income, household income (not including State pension of their spouse) and assets of certain value (not including their home).
IT	**Minimum pension supplement** *Integrazione al Trattamento Minimo*	Mixed type of benefit: partly contributory and partly tax financed. Age conditions for maximum benefit are the same as those required for the old-age pension - 66 and 3 months for men and 63 years and 9 months for women, with the 20 years insurance period for both sexes; also conditional upon residency for the receipt of the benefit. Means tested against beneficiary's personal and household income (incl. couple household income). If the highest threshold applies the benefit is reduced and behaves as top up to maximum threshold. In case of lower thresholds the income has no impact on the amount of the minimum pension top up (the whole benefit is granted).
	Minimum pension – Social increase *Maggiorazione Sociale*	Mixed type of benefit: partly contributory and partly tax financed. Age requirement is set to 70 years of age with 129 weeks covered by contributions. Possible gradual age reduction until 65 with 1170 weeks covered by contributions (60 years of age in case of invalidity). Residency status required. Means tested for eligibility and the amount against total personal and household income, including the assets test.
	Social Allowance (MIPOP) *Assegno Sociale*	Completely tax financed specific social assistance benefit. Provided at age 65 and 3 months (men and women) with 10 years residence period (men and women) in Italy. Means tested for eligibility and the amount against total personal and household income.
LT	**Social assistance pension** *Šalpos pensija*	Tax financed specific social assistance for older and disabled people, aimed at ensuring a minimum standard of living. Eligible are persons who have reached retirement age 63 (men) or 61 (women), disabled or retired mothers with multiple children and disabled or retired persons taking care of their disabled relatives. Provided as independent benefit to those who did not earn a pension based upon contribution periods or as a top up to such a pension. Means tested for eligibility and amount against beneficiary's pension income from the Social Insurance Fund *(Valstybinis socialinio draudimo fondas)* and income from work. Residency status required. Social assistance pensions are paid by municipalities.
	Cash general social assistance *Piniginė socialinė parama*	Tax financed **general social assistance** benefit. No age or period condition, residency status required. Provided to families and single residents who are incapable of providing themselves with sufficient resources for living. Comprises both cash social assistance benefit and the additional benefits for housing, heating, etc. Means tested for eligibility and amount against the beneficiary's total personal income, household income and certain assets (in individual or family ownership).

MS	Name of MIPOP	Description
LU	**Minimum pension** *Pension Minimale*	Minimum pension provided from the general pension scheme. Age requirement is 65 (men and women) with an insurance (contributory and non-contributory) period of 20 years, 60 (men and women) with 40 years of insurance periods, or 57 (men and women) with 40 years of contributory periods. For 40 years of insurance, it amounts to 90% of social minimum income. In the first case, for each missing year, it is reduced by 1/40 of that amount, down to the minimum eligibility threshold of 20 years. It is not means tested.
	Guaranteed minimum income *Revenu minimum garantie*	Tax and lottery financed **general social assistance** benefit provided from age 25 (before that age to persons incapable of work or raising a child or taking care of disabled person) that aims to ensure sufficient means for a decent standard of living and measures of professional and social integration, under the condition of residency status. The guaranteed minimum income consists of either an integration allowance (indemnité d'insertion) or a supplementary allowance (allocation complémentaire). Means tested for eligibility and amount against beneficiary's pension and total personal and household income, and assets are converted to into a life annuity for the purpose of means testing. Residence requirement of 5 years inside the period of the last 20 years before the claim.
LV	**Minimum old-age pension** *Minimālā vecuma pensija*	Contributory top up to minimum pension from the general pension system, no means test. Until 2001 the minimum pension amount was equal to state social security benefit. Since 2002 the value of this pension has varied from 110% - 170% respectively to the insurance period from less than 20 to 41 years and over. Provided at age 62 and 3 months (men and women) with the minimum insurance period of 15 years. Residence requirement for the receipt. No means test.
	Guaranteed minimum income *Pabalsts garantētā minimālā ienākuma līmeņa nodrošināšanai*	Tax financed **general social assistance** but administered and paid out by local municipalities and from the municipal budget. Benefits are granted on the basis of a discretionary decision on the entitlement; means tested for eligibility against the income and assets test. The benefit is a top up amount, calculated as the difference between the GMI level set by the Cabinet of Ministers or the municipality and the claimant's average monthly income over the last three months. The benefit is granted in cash or in kind. The amount depends on the household composition. No age or period requirement, residency condition applied for the receipt of the benefit.
MT	**National Minimum Pension** *Pensjoni Minima Nazjonali*	Contributory top up to minimum pension or a minimum pension benefit from the general pension system, not means tested, covering the active population (employees and self-employed). Minimum qualifying conditions of at least 15 weekly contributions (paid or credited) per year from age 19, or from age 18 for persons born after April 1958 with at least ten years of employment or self-employment prior to retirement. To qualify for the maximum rate claimant must have an average of 50 or more weekly contributions (paid or credited). A national minimum pension is awarded if the claimant's income from employment during the last 11, 12 or 13 years was equal to the National Minimum Wage. All pensioners are entitled to a Government Bonus in June and December every year and an additional special bonus is paid per week.
	Non Contributory Age Pension *Pensjoni tal-Eta' mhux kontributorja*	Tax financed specific social assistance for older people who habitually reside in Malta. Covers persons over the age of 60 having completed a 5 years residence/insurance period. Awarded to persons who are not entitled to the national minimum pension due to a low contribution participation and low income from employment, if any. It is also awarded to single persons, mainly to single women who did not earn a pension and have no other income. Means tested against pension, personal and household income, and assets. Minimum qualifying conditions entail that the claimant must not be in possession of bank capital that exceeds certain amount (€23,000 if married and €14,000 if single) but the house of residence is disregarded. All pensioners are entitled to a Government Bonus in June and December, an additional bonus per week.
NL	**General old-age pension** *AOW: Algemene Ouderdomswet*	Tax and contributions financed universal flat rate old-age pension for all residents aged 65 years and 2 months and over. The flat-rate pension benefit guarantees 70 percent of the net minimum wage, which is slightly above the minimum subsistence level guaranteed by WWB (*Minimum level welfare benefit*). The statutory retirement age will increase to 67 in 2023. Full residence period between age 15 and

MS	Name of MIPOP	Description
		65 is 50 years (every year of residency between ages 15 and 65 generates 2% of state pension benefit). No means test. Marital or partnership status has impact on the amount of benefit.
	Minimum level welfare benefit *WWB: Wet Werk en Bijstand*	Tax financed **general social assistance** for persons of 21 years or over, including retirees. No period condition, residency status required. Means tested for eligibility and amount against pension income, personal and household income and assets.
PL	**Minimum old-age pension** *Emerytura minimalna*	Contributory top up to minimum pension amount. Provided at the statutory retirement age with the insurance period of 25 years (men) and 20 years (women). No means test for eligibility. Means tested for the amount against the beneficiary's income from work.
	Minimum disability pension *Emerytura minimalna*	The same type of benefit as the minimum old-age pension. The additional requirement is disability with at least 5 years insurance period, no age requirement. Paid also in old-age.
	Minimum Survivor's pension *Emerytura minimalna*	The same type of benefit as the minimum old-age pension. No insurance period requirement. Provided at age 50 if the spouse of the deceased is incapable of work or raising children under age 18. Paid also in old-age.
	Permanent benefit for incapacity to work *Zasiłek stały*	Tax financed **general social assistance** that covers also older people. Residency status and citizenship required. Permanent benefit is an allowance granted to persons incapable of work, due to her/his age or disability. The incapacity of work due to age is legally assumed to arise at the statutory retirement age. Means tested for eligibility against family income and provided in a differential amount (top up).
PT	**Minimum pension** *Pensão mínima do regime general*	Contributory minimum pension from the general pension system. The minimum pension amount is set at minimum statutory values and indexed according to the social support index IAS (*indexante dos apoios sociais*= €419.22). The amount of minimum pension is gradually increased depending on the contribution period completed, from 61.86% of IAS for up to 15 years contribution period until 90.41% of IAS for insurance period of 31 years or over. The age requirement is set to 66 years (men and women) and minimum insurance period at 15 years while maximum at 31 years. No means test.
	Social old-age pension ***Pensão social de velhice***	Tax financed specific social assistance for older people **without sufficient resources and who are not entitled to a contributory pension.** Age condition 66 years, no insurance period requirement, residency status required. Maximum amount for those of 70 years of age. Means tested for eligibility against personal and household income. No means test for the amount.
	Invalidity social pension *Pensão social de Invalidez*	The same type of benefit as the social old-age pension. Provided to persons over 18 years of age who are not compulsorily covered by a contributory scheme and being permanently incapable for any gainful activity, or who did not complete enough contributions to social security scheme in order to qualify for the disability pension under the general scheme. Maximum benefit at age 70.
	Solidarity supplement for the elderly ***Complemento Solidário para Idosos***	Tax financed specific social assistance for older people**, including those who are not entitled to a non-contributory pension. The supplement is intended to fight against poverty among the elderly and to top up their income. Age requirement 66 years for men and women, residence period of at least 6 consecutive years before the claim. Means tested for eligibility and amount against the pension income, personal and couples income.**
	Social Integration Income *Rendimento Social de Inserção (RSI)*	Tax financed **general social assistance** supporting people and families who are in a situation of serious economic distress and at risk of social exclusion. It consists of a cash benefit to meet their basic needs and of a contract of integration to help them integrate socially and professionally. Provided from age 18 to persons having completed a 1 year residence period in Portugal (3 years if foreign citizens). Means tested against pension, personal and household income and assets, with the impact of tapered withdrawal in case of exceeding the thresholds.

MS	Name of MIPOP	Description
RO	**Social Indemnity for Pensioners** *Indemnizatie sociala pentru pensionari*	Tax financed top-up to a certain minimum amount of pension provided from the contributory pension system. Awarded from the age of 60 (women) or 65 (men). Tested against the amount of pension and the sum of all social security benefits. No further means test. No difference between the amount for singles and couples.
SE	**Guaranteed pension** *Garantipension*	Tax financed universal flat rate pension for persons of 65 years of age with minimum residence period of at least 3 years. Full pension for 40 years residence period. The guaranteed pension is reduced depending on the residence period completed, for persons with an earnings-related pension; for higher incomes, it is decreased by 48 percent. The amount of the full pension is fixed, being different for singles and for couples. Means tested against the beneficiary's pension income for eligibility and amount.
	Maintenance support for the elderly *Äldreförsörjningsstöd*	Tax financed specific social assistance for older people who did not complete residence period before age 65 (residence period 0), being single, having rent/housing cost SEK 6,200 per month or more. Means tested against all income (pension, personal and household) and assets. May be reduced based on other income up to the entire amount of the benefit (100%). Housing benefit is included in the amount of the Maintenance support for the elderly.
SI	**Minimum Pension** *Najnizja pokojnina*	Since 1 january 2014 the beneficiaries of Old-age Pension *(starostna pokojnina)* are guaranteed the minimum pension *(najnizja pokojnina)* in the amount of 26% of the minimum Pension Rating Basis. The Basis is determined by the Pension and Invalidity Insurance Institute of Slovenia *(Zavod za pokojninsko in invalidsko zavarovanje Slovenije)*. Eligibility requirement - 15 years of insurance. It is tested against the amount of the 1st pillar pension.
	Supplementary allowance *Varstveni dodatek*	Tax financed specific social assistance for older people intended to cover costs of living incurred over a long period of time, not being the part of the minimum costs of living. Provided to persons of age 65 or over but no age condition in case of permanent incapacity for work or permanent unemployment. No period requirement, residency status condition applies. Means tested for eligibility and amount against the income per member of the household. Although mainly categorised as the general social assistance, the part of supplementary allowance that is provided to persons at age 65 or over may be considered as a kind of specific social assistance for older people.
	Cash Social Assistance *Denarna socialna pomoč*	**General social assistance** providing funds for basic costs of living in a shorter period. There are two types of CSA: regular (periodic) CSA and emergency (one off) CSA. The latter type is granted only in exceptional circumstances, in case of a temporary material deprivation. No age or period requirement, residency condition applies. Means tested for eligibility and amount against total personal and household income, including assets test, but also based on discretionary assessment.
SK	**Benefit in material need** *Davka v hmotnej nudzi*	Tax financed specific social assistance for older people from the Assistance in Material Need consists of the following parts: the Benefit in Material Need (different amount for singles and for couples), Housing Allowance and Protection Allowance. The benefit is regarded as a total amount and the parts of the benefit related to the housing and protection are not considered to be additional benefits. Provided at statutory pensionable age (62 for men and 61.5 for women in 2014), no period eligibility condition. Means tested against the pension and other personal income (disregarded part for pension - 25% of pension for up to 25 years insurance period, increasing per 1% for every additional year of the insurance period for example 40% for the 40-years insurance period; disregarded income – 25% from gainful activity). There is no maximum amount of disregarded part in case of pension.
UK	**State Pension Credit**	Tax financed specific social assistance for older people in a form of a top up to a person's pension income. Age requirement is rising from 60 to 65 (alongside the rise in Women's State Pension Age) until 2018, with the further increase to 66 for men and women between December 2018 and October 2020. Entitlement is conditional upon actually living in GB (England, Scotland and Wales) and beneficiaries having the right to reside, and being habitually resident, in the United Kingdom (UK), the Channel Islands, the Isle of Man or the Republic of Ireland

MS	Name of MIPOP	Description
		(this is known as the common travel area). Means tested against pension, personal and household income.

Notes:

1. This table was the base for the table 3.6 in Chapter 3, subsection on "Minimum income provision" and contains edited information provided by Member States. The emphasis of the questionnaire was to collect the data on schemes targeted only to older people and for the general social assistance benefits only in case that there was no scheme targeted to older people in a Member State (in principle, these are only Germany and Czech Republic). Still, Member States that nevertheless wished to report on their general social assistance scheme could do so and therefore this information is also included in this table. It is not to be concluded that all other Member States don't have the general social assistance scheme (the information could be found in the MISSOC comparative tables).

2. In this table the Member States are listed in alphabetical order.

Annex 5. Structural factors in the development of longer working lives

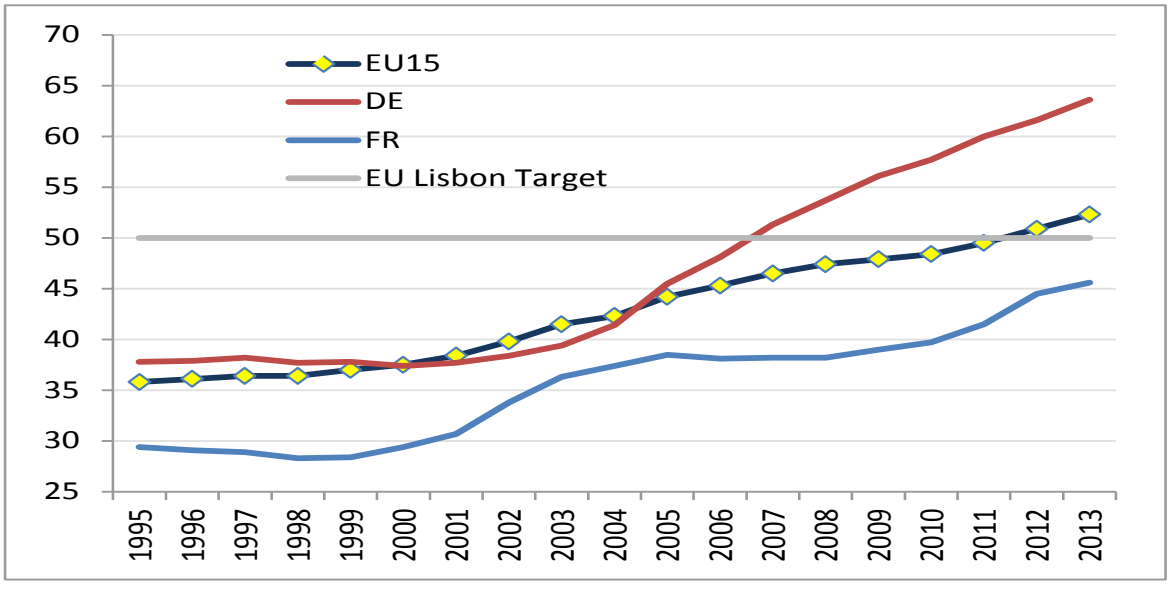
Content:

1. Age-composition effect
2. Gender composition effect
3. Sector of employment effect
4. Educational achievement level effect

The long-standing decline in the average EU employment rate for older workers (aged 55- 64 years) bottomed out at levels way below 40 percent just before the turn of the millennium. The Lisbon-Strategy, 2000-2010, inaugurated a number of objectives related to longer working lives. By 2010 the employment rate of workers was to be raised to 50 percent and the age at which people on average stopped working increased by 5 years. The ambitious target for older workers was set to contribute to the general employment rate objective of 70 percent for people aged 15-64. It is a matter of fact that neither target were achieved – total employment fell well behind as Europe dipped into the crisis in 2008. However, in the case of older workers employment rates (and effective exit ages) continued to rise and aggregate progress over the 10-year period was considerable.

As most Member States had adopted pension reforms and improved incentives for older workers to stay active, observers have tended to portray these policy changes as the main drivers of the rise in employment rates and exit ages. Yet, as this paper will argue, other changes of a more structural nature played a key role in developments.

Figure 1: Employment rates of older workers (55-64 years of age) in %



Source: Eurostat LFS

In the EU15, the shift in the older workers' employment rate from 37 percent in 2000 to 48 percent in 2010 was equivalent to 9 million more people in employment. In other words: some two thirds of the overall improvement in the general employment rate came on the account of older workers. In contrast to other age-groups, older workers' employment has been increasing even during the crisis and is still going up. Variation across Member States is

strong, though. For example: whereas in Germany, following a steep increase over the last 10 years, some three quarters of people between 55 and 64 years now are in employment, progress in France appears comparably modest.

This paper discusses the relative role of some 'non-policy' factors in the observed developments. It tries to quantify to what extent structural factors, i.e. cohort size and composition effects in the group of 55-64 year olds, may have contributed to the remarkable progress in older workers employment in some countries whilst rather decelerating progress in others. It also looks ahead to find out to what extent countries would have to reckon with such structural factors in the future also and to assess to what extent they may continue to effect developments in the employment rate of older workers. To what degree and for how long can policy makers as they try to underpin pension reforms and deliver on longer working lives through age management changes in work places and labour market expect to be helped (or impeded) by further changes in the composition of older workers? In short: will the wind of structural change be on their backs or in their face?

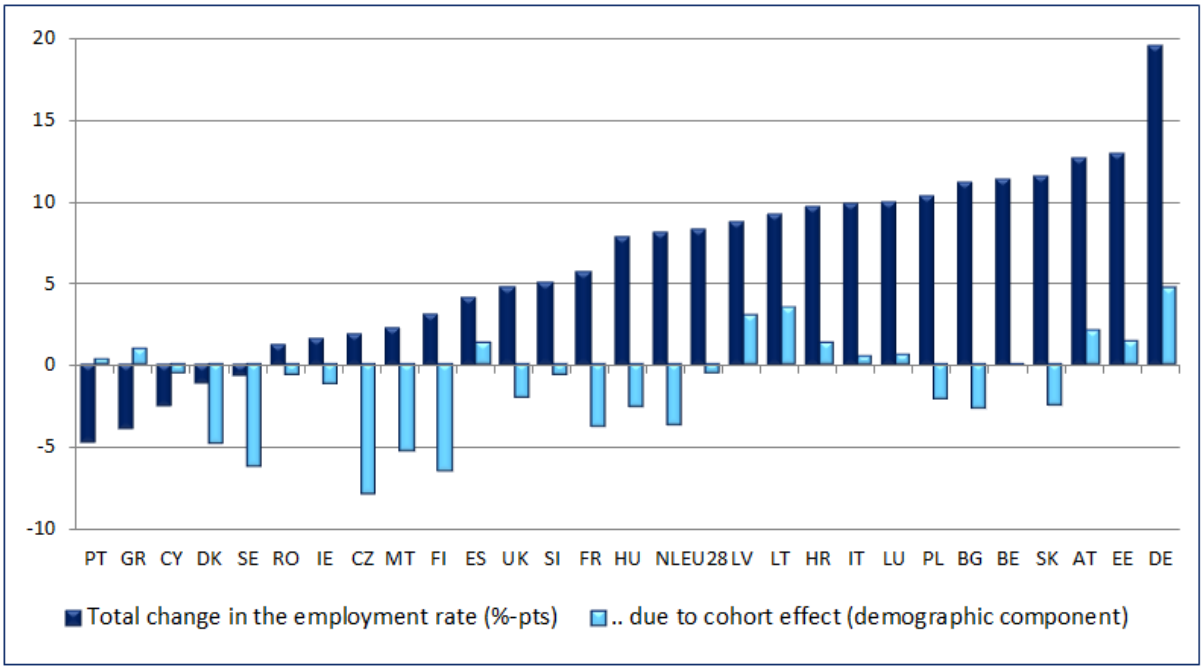
1. Age-composition effect

The most obvious of such structural factors is demographics. Consider the age-range 55-64 years, where one finds big differences between the employment rates of cohorts aged 55-59 and cohorts 60-64. If, for a transitional period cohorts passing through the 55-59 age-range become substantially larger, then the share of younger cohorts within the group of older workers becomes larger and this would cause the older-workers' employment rate to go up. Such a shift would not imply a genuine increase in the employment rate for every single age-cohort but be due only to the transitional change of the age-composition towards younger ages within the older workers group of 55-64 year old. The overall shift in the employment rate for this 10 year age group would reflect the fact that the employment rate of younger age-cohorts is higher than for the ones at the end of the cohort-range, because the probability of retirement increases with rising age.

Figure 2 looks at the development of employment rates over the past 11 years since 2002. In order to better reflect recent policy developments, which address the labour market potential of older workers, it expands the age-range in question, considering as 'older workers' those aged between 50 and 69 years of age.

Countries are ordered with regard to the observed increase in the employment rate of the age cohort 50 to 69 years which was remarkable in Germany (some 20%-pts.). On the other hand, in the Nordic countries which all have above-average employment rates in absolute terms, the increase since 2002 has been either very moderate or even negative. One can easily show that the seemingly less favourable development in these countries was in fact due to the structural cohort effect.

Figure 2: Demographic component in employment (50-69 year-olds)



Source: DG EMPL calculations based on Eurostat Europop 2013 population projection, Main scenario, and Eurostat LFS

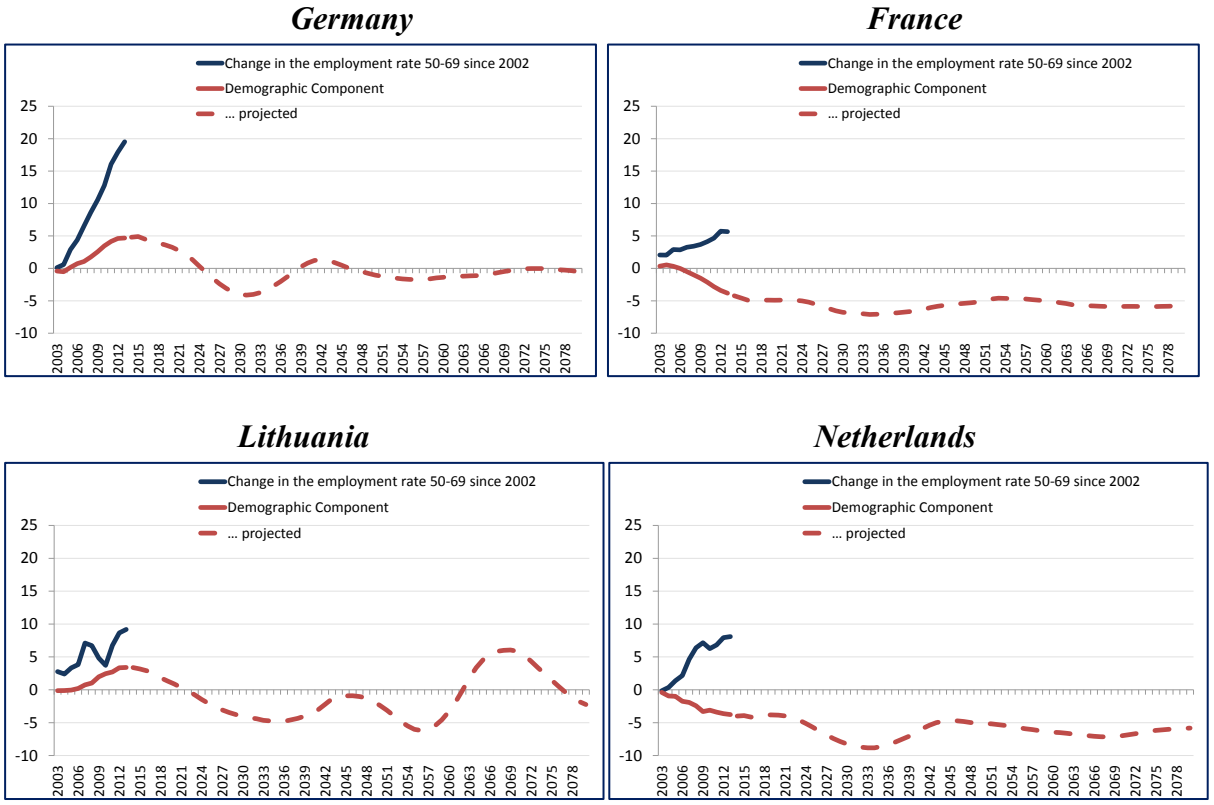
If one keeps the age-specific employment rates for every single-age cohort between 50 and 69 years constant at 2002 levels, this would leave any change in the overall employment rate for the total age-range 50-69 to structural changes of the age-composition within that range. The red bars indicate what the age composition effect contributed to the overall change in the employment rate observed between 2002 and 2013. It shows that Germany was helped by demographic 'wind on its back' as a quarter of the overall increase in the older-workers' employment rate has been due to the cohort age composition effect. France, on the other hand, could have seen a considerably stronger increase without the demographic wind in its face. In countries like Sweden and Denmark the head-wind was so strong that it turned an upward shift in the older-workers employment rate into a decline.

This age component is a transitional phenomenon of shorter duration, though. As particularly large cohorts from the peak of the post WWII baby-boom pass through the age-range of 50-69, one can expect that the structural effect related to cohort size will level out. Its projection is very simple if one takes on board Eurostat's Europop 2013 demographic projections (main scenario). Again, applying constant 2002 employment rates to each of the single ages in the cohort 50-69 as projected by Eurostat will give the change in the overall employment rate in this age range, which is due to the structural shift in the age composition of the group.

Figure 3 shows the change in the employment rate for the age range 50-69 observed since 2002 (blue curve). The red curve depicts the cohort effect, dashed where projected for the future. The chart illustrates that the German 'back-wind' will stop in the middle of next decade and then even turn negative for a number of years. That is, was Germany to keep its current impressive employment profile of older people, it would have to make an extra effort to the extent the back-wind disappears and then turns before eventually levelling out. The Baltic countries show a similar, even more pronounced profile. While in France the 'demographic

head-wind' is bound to stop soon, the Netherlands will continue to face some age composition 'hampering' until the mid-2030s.

Figure 3: Demographic component in employment (50-69 year-olds)



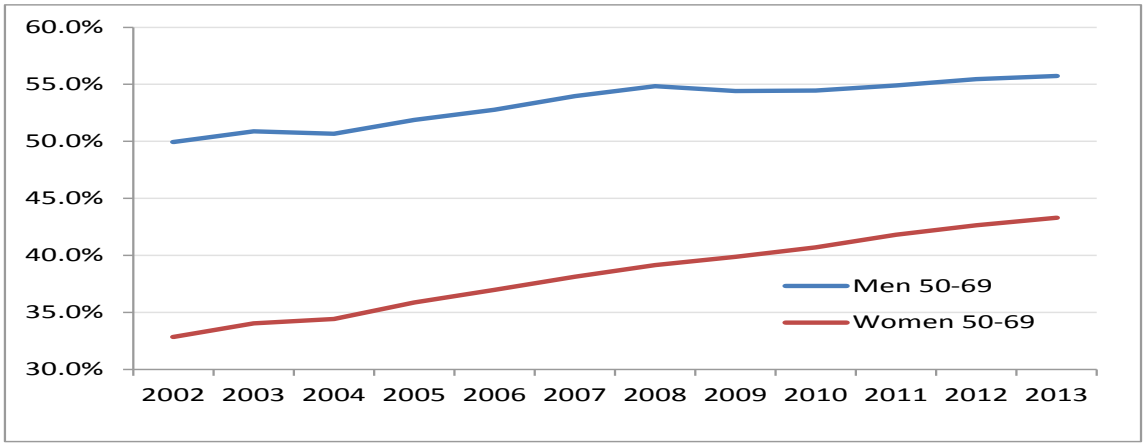
Source: DG EMPL calculations based on Eurostat Europop 2013 population projection, Main scenario, and Eurostat LFS

The analysis shows that the impact of policies on changes in the employment rates of older people need to be interpreted with due caution as transitional structural cohort-phenomena have been producing and will continue to produce some noise in the data.

2. Gender composition effect

This section tries to shed some light at the gender dimension behind the recent shift in the employment rates of older workers.

Figure 4: Employment rate of people aged 50-69 by gender, EU-28

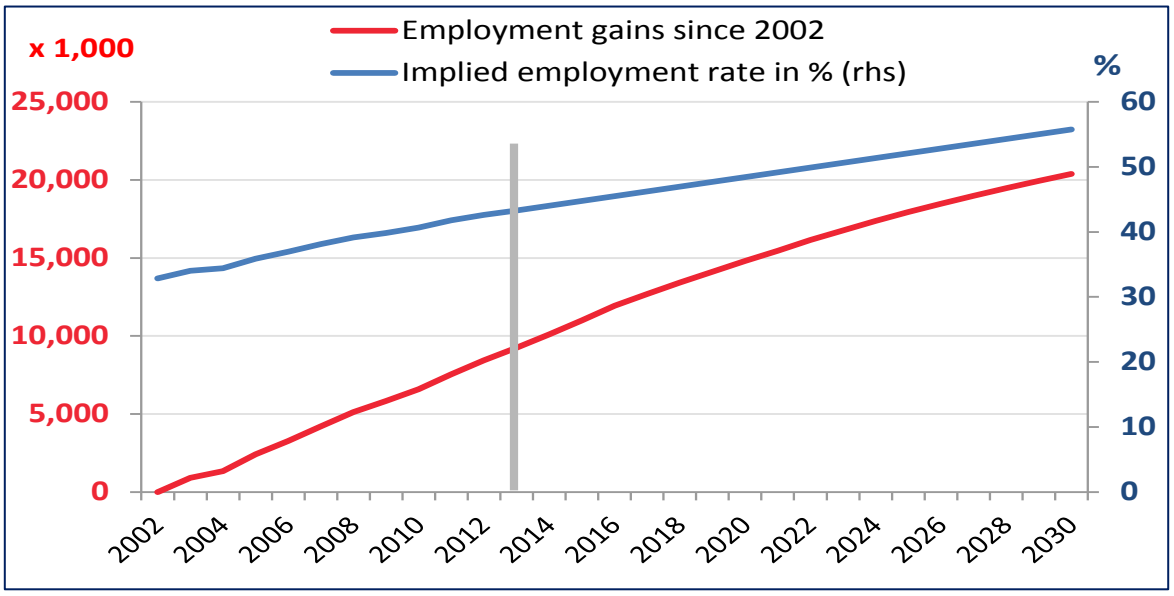


Source: Eurostat LFS

In fact, looking again at the age-group between 50 and 69 years by gender, we observe that women had a significantly greater share than men in the overall employment shift since 2002 (+7.6 vs. +7.2 million). The gap between female and male employment rates in that age group has narrowed from 17 to 12%-pts as shown in Figure 4. Figure 5 depicts what would be the potential of further older women's employment gains if the gender employment gap continued to narrow. Assuming it will close to zero by 2030, the EU could by then generate a further employment shift of around 11 million from now on, equivalent to 8 percent of the 2030 population aged 50 to 69 years.

Figure 5: Women aged 50-69 – employment potential, EU28

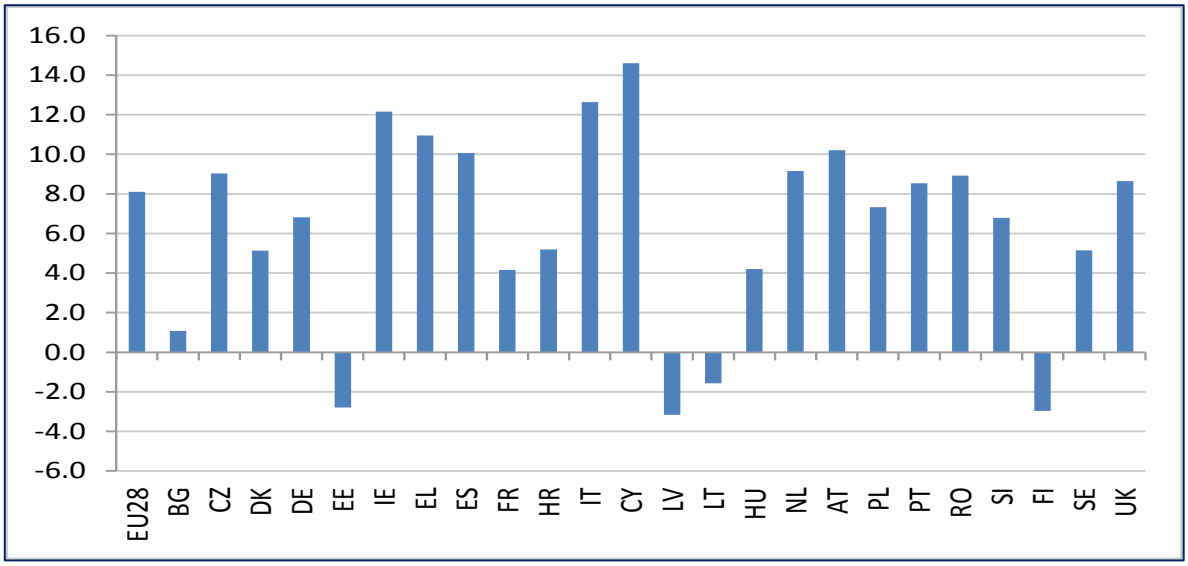
Assuming they catch up with (today's) male employment rates by 2030



Source: Eurostat LFS; DG EMPL calculations.

Figure 6: Women aged 50-69 – further employment potential by country

Assuming they catch up with (today's) male employment rates by 2030



Source: Eurostat LFS; DG EMPL calculations.

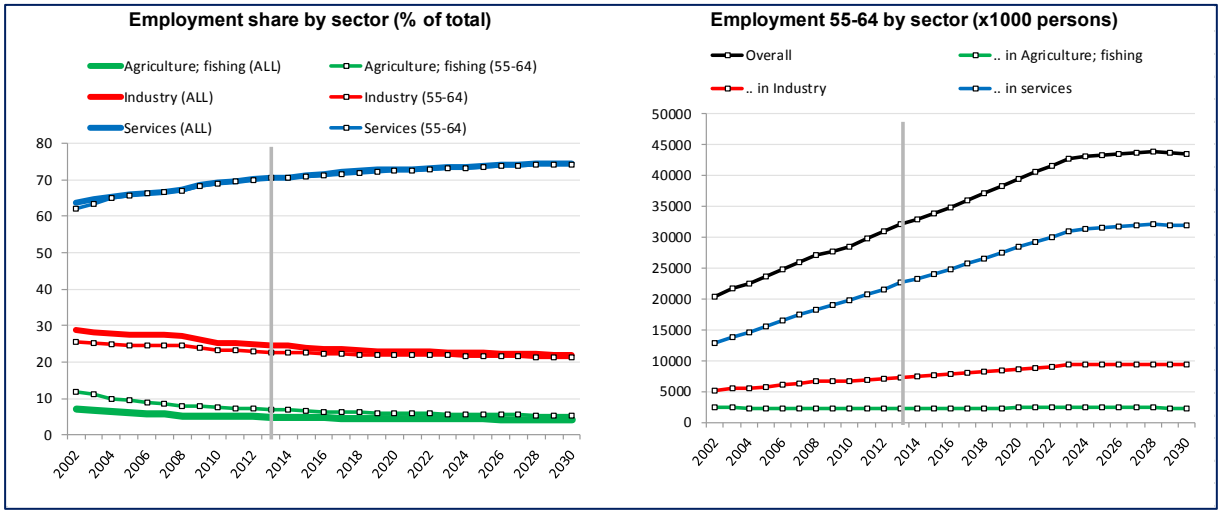
Figure 6 summarises the overall employment effect of such a female 'catch-up' scenario for the age group 50-69 years. It illustrates the implied employment impact from now until 2030

in percent of the population aged 50 -69 years. In the Baltics and Finland the impact is negative. This is because (1) today's gender difference in the employment rates is low in these countries[24] and (2) the decline of the population in that age group will pull down female employment.

3. Sector of employment effect

In the services physical working conditions generally present fewer barriers to the extension of working lives than in primary occupations and extractive and manufacturing industries. The rise in the employment rates for older workers have thus been facilitated by the fact that the share of services in the total employment of people aged 55-64 has increased by more than 10 million since 2002.

Figure 7: Older workers and structural change in employment



Source: Eurostat LFS for both charts; Europop 2013 population projection (main scenario), AWG 2015 Ageing Report for overall employment 55-64 as shown in the right chart; DG EMPL calculations

Figure 7 shows that the total employment gains for older workers came almost exclusively from a rise in service sector employment. One can assume that, following the pattern of the past, the trend towards services in the EU will continue, albeit at slower pace than in the recent past.

The left part of Figure 7 illustrates the respective employment shares in services, industry, and agricultural production since 2002. For the EU as a whole the employment share in services is at similar level and has changed in parallel to total employment. On the other hand, with older people's industrial employment still increasing in absolute numbers, the structural shift away from industrial production went more slowly for older workers than for total employment, whereas their employment decline in farming was much more pronounced as retirement of farmers is not being compensated for by new entrances into that profession.

A simple log-linear regression, based on the 2002-2013 observations of the employment shares shown in Figure 7, would cause the employment share of services to further climb towards levels of around 75 percent for both total and older workers employment; the shares of industrial and agricultural employment would reduce moderately. If one applied these

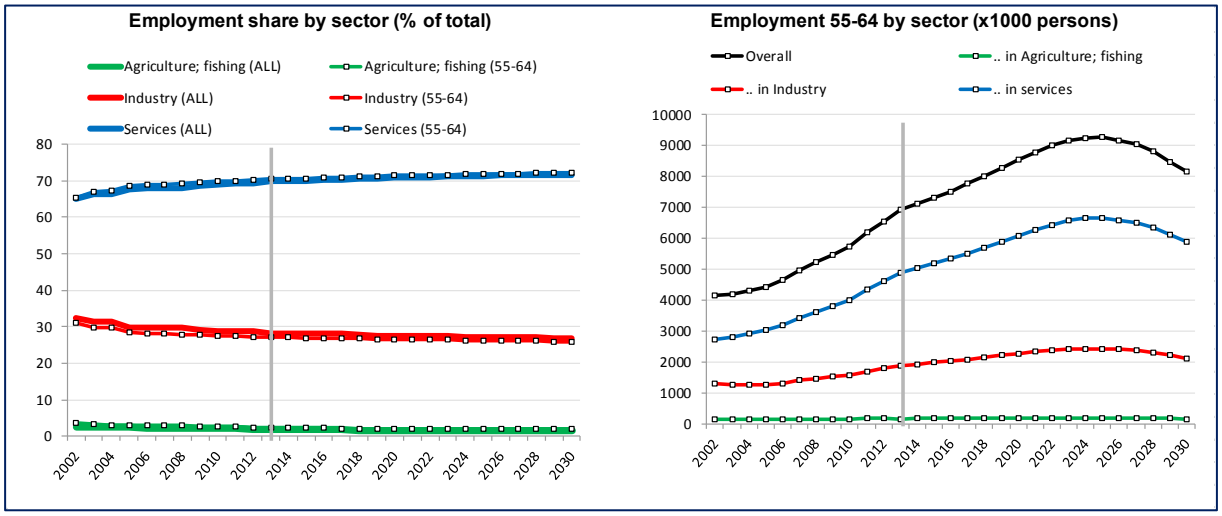
[24] Following a strong reduction of the gender-difference in Finland over the last 10 years, Finnish women even show a lightly higher employment rate than men (53.8 percent vs. 53.6 percent).

employment shares to total employment as projected according to the assumption made in the Ageing Working Group's 2015 Ageing Report on older workers' employment rates, this would imply 9 million additional older people working in the services sector between now and 2030 in the EU.

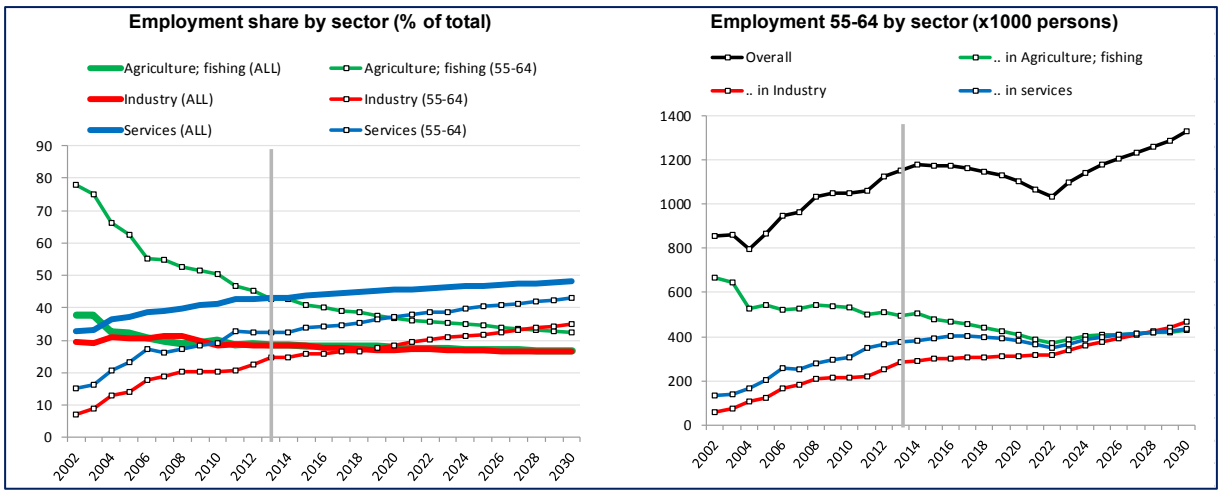
However, both the recent past situation and the future employment prospects vary considerably across Member States as countries are in very different stages of the transition from agricultural towards industrial and modern services employment. Figure 8 illustrates that with the examples of Romania and Germany.

Figure 8: Older workers and structural change in employment

Germany



Romania



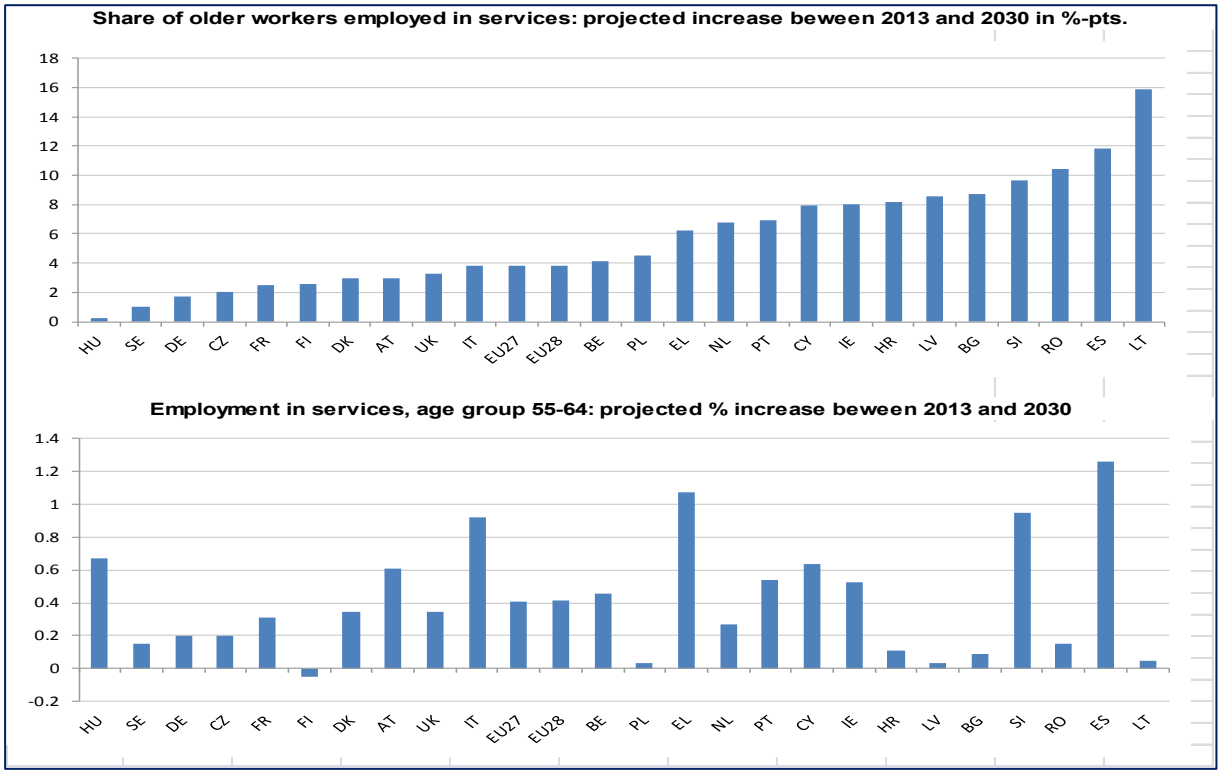
Source: Eurostat LFS for both charts; Europop 2013 population projection (main scenario), AWG 2015 Ageing Report for overall employment 55-64 as shown in the right chart; DG EMPL calculations

By the turn of the century, 80 percent of older workers in Romania were employed in primary occupations notably in the agricultural sector. Evers since, the sectoral transition has been extremely fast as the country joined the EU and modernised both industrial production and the service sector, which both saw a steep increase of older workers employment. Contrary to the trend in total industrial employment which has been suffering strongly throughout the crisis, in the case of older workers there has been a continuous positive trend: the number of people aged 55-64 in employment has been almost quadrupling since 2002.

Likewise, older workers' service employment today is almost three times its level back in 2002. One can expect that such pronounced structural shifts both towards older workers employment and away from farming will continue in the future. Log-linear trend regression of the 2002 – 2013 trend (see lhs) would suggest the share of older workers employed in farming in Romania to further decline from today's 43 percent to 32 percent by 2030, and the employment shares of services and industry surpassing farming in the course of the next decade. Despite this structural shift, prospects for growth in the share of older workers employment over the next 10 years will be moderate also in the services and manufacturing sectors - simply because coming demographics will temporarily reduce their numbers.

The situation is radically different in countries, which are further on the time-scale of structural change. For example, with the employment shares relatively stable both for total employment and older workers, Germany's total older workers' employment prospects are largely dominated by the projected development of working-age population, as shown on the right side of Figure 6.

Figure 9: Older workers and structural change in employment



Source: Eurostat LFS for both charts; Europop 2013 population projection (main scenario), AWG 2015 Ageing Report for overall employment 55-64 as shown in the right chart DG EMPL calculations

However, one common observation across EU countries is that the service sector seems to have been and will continue to be the engine of future employment of older workers. In order to illustrate the extent of the structural change towards services, Graph 9 applies the same simple projection technique employment shares to all Member States. The upper part shows the relative change in the employment share of older workers in services. The lower part shows the percentage increase of older workers' services employment in absolute terms.

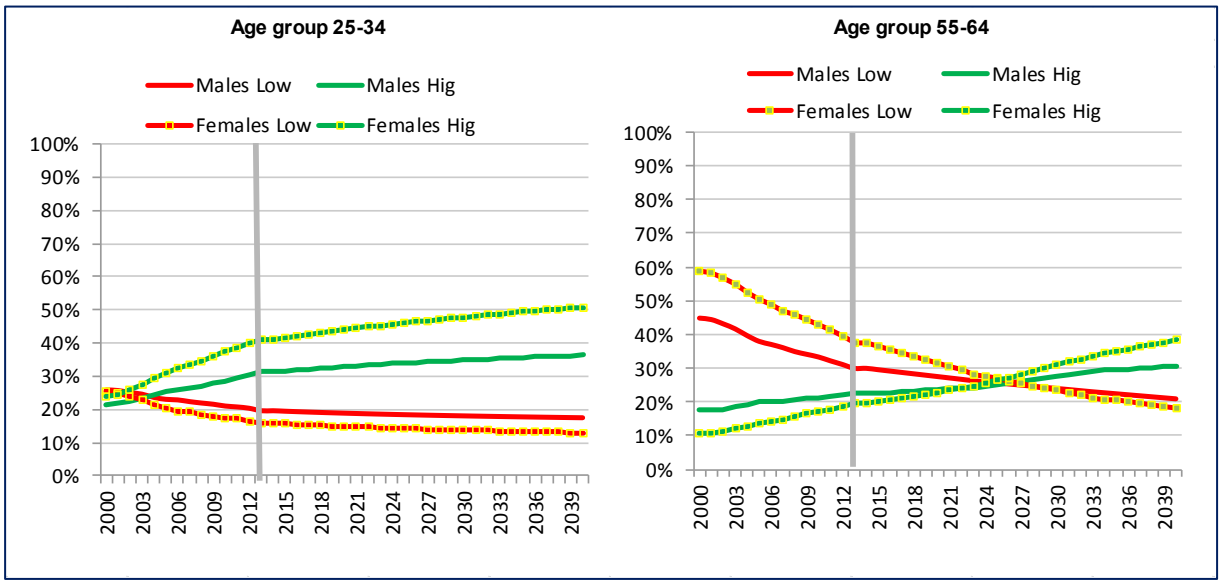
Countries in the catching-up process tend to see a stronger relative change towards services. However, in a number of Eastern European countries this does not imply strong absolute employment gains for older workers in services because the structural development towards

services will be distorted by pure demographics in the sense that the decline of the working-age population also will affect older cohorts.

4. Educational achievement level effect

The EU has seen a continuous shift towards higher educational attainment levels. Those shifts still affect mainly the younger age-groups and will 'eat' into older cohorts as time proceeds. Graph 10 shows the share of young men and women (aged between 25 and 34 years) with a low (below upper secondary) and a high (tertiary) educational degree. The change had a strong gender dimension to the extent the shift towards high educational degrees was much stronger for women than it was for men. The log-linear trend regression based on the annual observations of the shares from 2000 – 2013 for young people (25-34 years) suggests that the trend will continue, more slowly, also over the coming decades – as shown on the lhs of Figure 10.

Figure 10: Share of low- and high educated people by age and gender, EU28

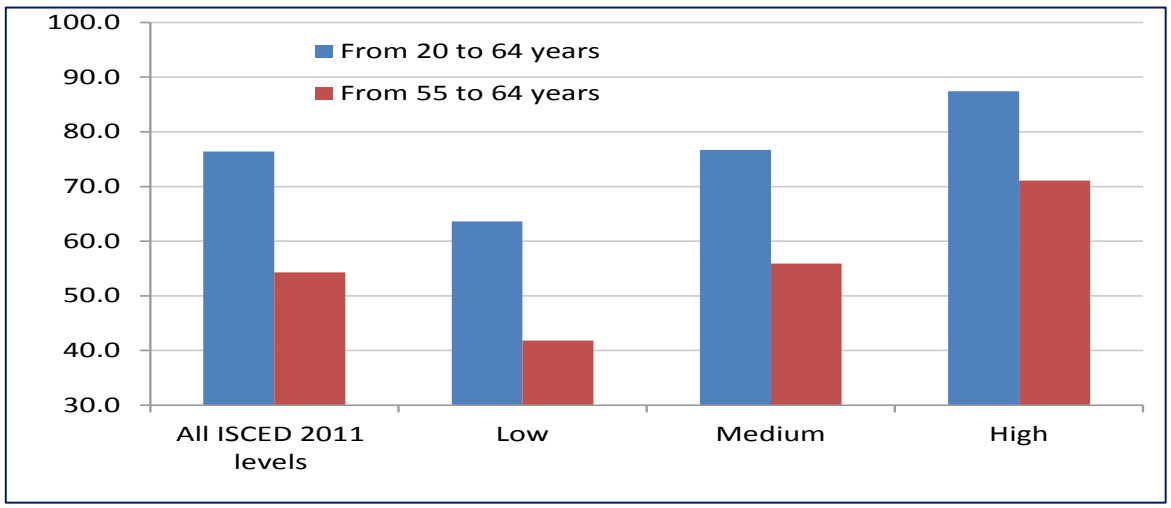


Source: Eurostat LFS for both charts; DG EMPL calculations

Even if one assumes no further educational progression in ages beyond 34, the rhs of Graph 10 illustrates that progress achieved at younger ages will strongly affect older workers' educational composition at a later stage. The share of low-educated men and women in Europe has been declining by one third over the period between 2000- 2013. The share of high-educated among older workers aged 55-64 is still low, particularly for women – but it was women who saw a doubling of the share with high educational achievement levels in the course of the last 13 years, rising to almost 20 percent by 2013. Given the rise in younger cohort's educational achievement levels, the share of older female workers with high education is expected to further double until 2040, whereas by 2040 the share of low-skilled among women aged 55-64 would be a mere 20 percent - i.e. only half today's level. The rise in men's educational achievement levels will be far more moderate.

Looking solely at the labour market performance by educational attainment level, such structural change towards high-educated people across all age groups has had and will continue to have strong implications – including for the activity and employment rates of older workers.

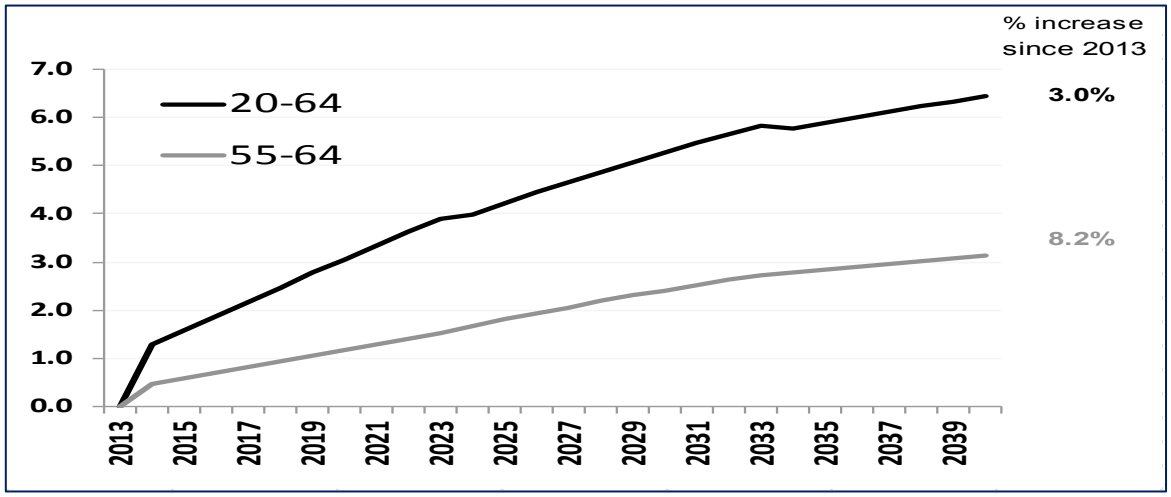
Figure 11: 2013 activity rates by educational attainment level and age, EU28



Source: Eurostat LFS

With the activity rate for high-educated people aged 55-64 being 30%-pts. above the level of same-age low-educated, the upward educational shift will continue to bring pronounced activity gains.

Figure 12: Impact of educational progression on active population, millions, EU-28

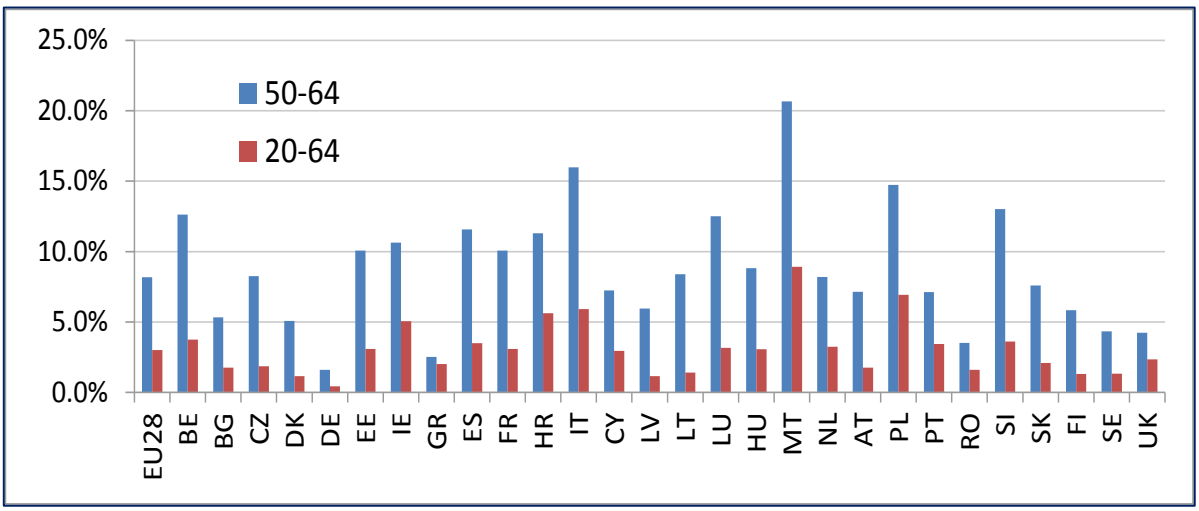


Source: Eurostat LFS for both charts; DG EMPL calculations

In the whole of the EU28 until 2040 it will bring almost 3 million more older workers into activity if the strong differences in the labour market performance by educational attainment level also will hold in the future. That is, the number of active people aged 55-64 years would shift by more than 8 percent due to the supply-side effect of higher education – the relative shift being much stronger than for all age groups in total.

Figure 13 summarizes the results for all EU countries. The blue bars indicate the impact of educational progression on the total active population, i.e., the percentage change of active population due to the educational shift from 2013 to 2040, the red bars reflect the same relative change for older workers only.

Figure 13: Impact of educational progression on active population, millions, EU-28



Source: Eurostat LFS for both charts; DG EMPL calculations

Since, according to Figure 11, the educational progress has a disproportionally stronger impact on the labour market participation of older workers, the relative activity gains are more significant in all EU countries.

Annex 6. Statistical Annex

Table A2-1: Relative median income ratio and Inequality of income distribution - Income quintile ratio (S80/S20), in 2005, 2008 and 2013

Member State	Relative median income ratio									Inequality of income distribution					
	2005			2008			2013			2005	2008	2013	2005	2008	2013
	Total	Men	Women	Total	Men	Women	Total	Men	Women	Population aged less than 65 years			Population aged 65 years or over		
EU-28	:	:	:	:	:	:	0.93	0.96	0.91	:	:	5.2	:	:	3.9
BE	0.73	0.74	0.73	0.74	0.75	0.74	0.76	0.79	0.75	4.1	4.1	3.9	3.0	3.1	3.1
BG	0.84	:	:	0.66	0.69	0.64	0.76	0.81	0.72	:	6.8	7.0	:	4.0	4.6
CZ	0.83	0.85	0.81	0.79	0.80	0.78	0.85	0.88	0.83	3.9	3.6	3.6	2.3	2.3	2.4
DK	0.70	0.72	0.70	0.70	0.72	0.70	0.76	0.80	0.74	3.5	3.6	4.4	2.5	2.9	3.2
DE	0.94	0.97	0.91	0.87	0.89	0.87	0.89	0.90	0.88	3.8	4.9	4.8	3.5	4.0	3.8
EE	0.73	0.76	0.70	0.62	0.66	0.59	0.69	0.74	0.64	6.4	5.0	5.9	3.3	3.3	3.1
IE	0.66	0.67	0.65	0.74	0.75	0.73	0.94	0.97	0.91	5.1	4.5	4.6	3.4	3.8	4.1
EL	0.79	0.83	0.78	0.86	0.89	0.84	1.04	1.04	1.05	5.9	6.2	7.5	5.0	4.5	3.9
ES	0.77	0.79	0.76	0.79	0.81	0.78	1.00	1.05	0.96	5.7	5.9	6.8	4.6	4.2	4.5
FR	0.90	0.93	0.88	0.95	1.00	0.92	1.02	1.06	0.99	3.9	4.4	4.5	4.5	4.4	4.1
HR	0.74	:	:	0.75	:	:	0.88	0.96	0.83	:	:	5.4	:	:	5.1
IT	0.85	0.88	0.84	0.88	0.91	0.85	0.96	1.00	0.94	5.8	5.3	6.2	4.5	4.4	4.4
CY	0.57	0.59	0.55	0.59	0.63	0.57	0.77	0.80	0.75	4.0	4.0	4.9	4.6	4.6	4.8
LV	0.75	0.77	0.73	0.53	0.60	0.51	0.77	0.84	0.73	7.3	7.1	7.0	4.0	5.6	3.9
LT	0.81	0.90	0.75	0.71	0.80	0.68	0.81	0.87	0.77	7.5	6.2	6.6	3.5	4.1	3.9
LU	0.96	0.95	0.98	0.97	0.96	0.97	1.13	1.14	1.11	4.0	4.3	4.6	3.2	3.0	4.1
HU	1.01	1.07	0.97	1.00	1.07	0.98	1.05	1.12	1.01	4.3	3.8	4.5	2.6	2.6	2.8
MT	0.75	0.79	0.73	0.73	0.73	0.73	0.79	0.81	0.80	3.9	4.3	4.3	3.8	3.7	3.2
NL	0.88	0.89	0.88	0.84	0.85	0.84	0.90	0.92	0.89	4.1	4.1	3.7	3.3	3.2	3.2
AT	0.96	1.04	0.92	0.88	0.96	0.84	0.95	0.98	0.92	3.8	4.2	4.1	3.9	4.2	4.1
PL	1.09	1.20	1.02	0.97	1.05	0.92	0.98	1.06	0.93	7.2	5.4	5.2	3.6	3.4	3.4
PT	0.77	0.77	0.76	0.83	0.89	0.77	0.94	0.98	0.90	7.1	6.2	6.3	5.7	5.4	4.9
RO	:	:	:	0.85	0.93	0.80	1.04	1.12	0.96	:	7.4	7.0	:	4.9	4.5
SI	0.86	0.94	0.80	0.84	0.91	0.79	0.87	0.95	0.82	3.3	3.3	3.6	3.7	3.6	3.5
SK	0.85	0.90	0.82	0.79	0.83	0.77	0.90	0.92	0.88	4.1	3.5	3.8	2.5	2.3	2.3
FI	0.74	0.81	0.71	0.72	0.78	0.69	0.78	0.83	0.74	3.7	3.7	3.6	3.0	3.2	3.3
SE	0.81	0.89	0.76	0.78	0.84	0.73	0.81	0.89	0.76	3.4	3.4	3.8	2.8	3.6	3.4
UK	0.74	0.77	0.73	0.74	0.76	0.73	0.87	0.88	0.87	6.0	5.7	4.8	4.5	4.7	3.8

Data source: Eurostat. Note: Persons aged 65 years and over compared to persons aged less than 65 years; : - not available

Table A2-2: The at-risk-of-poverty rate, severe material deprivation, poverty gap, 2013

Member State	At-risk-of-poverty rate			Severe material deprivation			Poverty gap		The share of people aged 65+ with disposable income below certain percentage of national median disposable incomes			
	65 years or over			65 years or over			From 18 to 64 years	65 years or over	40%	50%	60%	70%
	Total	Men	Women	Total	Men	Women						
EU-28	13.8	11.4	15.6	6.9	5.7	7.9	25.7	15.9	2.5	6.6	13.8	23.4
BE	18.4	17.0	19.5	2.0	1.3	2.6	22.8	10.5	2.3	5.8	18.4	35.1
BG	27.9	21.0	32.6	50.7	45.1	54.5	34.4	20.6	6.2	16.5	27.9	39.1
CZ	5.8	2.7	8.1	5.3	3.2	6.9	17.3	8.3	0.2	1.4	5.8	16.7
DK	10.6	8.7	12.2	1.0	1.3	0.8	28.4	9.7	1.6	2.8	10.6	28.8
DE	14.9	12.7	17.0	3.2	2.7	3.7	22.1	18.4	2.8	8.0	14.9	24.0
EE	24.4	13.3	29.9	6.3	5.8	6.6	28.3	8.1	1.8	5.1	24.4	43.9
IE	10.1	10.0	10.2	3.6	3.0	4.1	18.1	26.1	3.7	6.7	10.1	17.5
EL	15.1	13.7	16.2	13.7	12.1	15.0	33.6	13.7	3.2	6.5	15.1	21.4
ES	12.7	12.1	13.2	2.7	2.5	3.0	31.4	16.6	3.7	6.3	12.7	23.6
FR	8.7	7.4	9.6	2.7	2.4	3.0	17.6	11.6	0.6	3.0	8.7	16.6
HR	23.4	18.6	26.6	16.9	15.0	18.1	30.2	24.1	8.0	14.4	23.4	33.2
IT	15.3	12.4	17.4	10.7	9.5	11.5	31.4	14.4	2.8	6.7	15.3	23.7
CY	20.1	16.2	23.4	9.0	7.6	10.1	18.3	13.2	1.9	7.9	20.1	36.2
LV	17.6	10.4	21.0	26.6	21.8	29.0	32.0	11.9	2.8	6.5	17.6	35.0
LT	19.4	10.9	23.9	18.4	14.4	20.5	27.5	13.6	2.7	8.4	19.4	31.3
LU	6.2	5.6	6.7	0.9	0.7	1.0	17.5	14.7	1.7	2.8	6.2	12.0
HU	4.4	2.8	5.3	16.7	11.7	19.7	22.4	10.9	0.4	1.6	4.4	9.7
MT	14.9	15.8	14.2	7.1	5.8	8.2	19.3	14.6	2.6	6.8	14.9	32.0
NL	5.5	4.8	6.1	0.8	1.1	0.6	19.4	10.0	1.1	2.2	5.5	16.6
AT	15.4	12.5	17.6	1.8	1.8	1.7	23.4	20.7	4.7	9.8	15.4	23.7
PL	12.3	8.5	14.6	11.5	9.2	12.9	24.0	16.7	1.7	6.2	12.3	20.4
PT	14.6	13.7	15.2	9.0	7.3	10.2	31.3	13.4	2.4	6.3	14.6	23.8
RO	15.0	9.7	18.6	27.5	23.8	29.9	33.3	18.3	3.6	8.4	15.0	24.1
SI	20.5	13.2	25.5	6.7	5.7	7.4	21.2	18.9	2.6	11.4	20.5	30.0
SK	6.0	3.3	7.6	9.2	7.8	10.0	24.4	7.9	0.4	1.2	6.0	14.3
FI	16.1	11.4	19.6	1.1	0.8	1.2	18.9	11.3	1.0	5.0	16.1	31.7
SE	16.4	9.2	22.3	0.2	0.1	0.4	23.1	10.2	2.2	5.8	16.4	30.2
UK	16.6	14.6	18.3	2.1	2.1	2.1	22.0	17.7	3.2	9.0	16.6	27.3

Data source: Eurostat.

Table A2-3: The at-risk-of-poverty or social exclusion rate, in 2005 and 2013

Member State	2005									2013								
	0-64			65-74			75+			0-64			65-74			75+		
	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women
EU-28	:	:	:	:	:	:	:	:	:	25.9	25.2	26.6	17.3	15.0	19.2	19.4	15.7	21.9
BE	22.4	21.2	23.6	20.0	20.0	20.0	27.8	25.4	29.2	21.1	20.9	21.3	17.4	15.4	19.2	21.7	21.1	22.2
BG	:	:	:	:	:	:	:	:	:	45.7	45.7	45.8	54.8	48.4	59.8	61.1	54.9	64.8
CZ	20.4	18.9	22.0	13.6	9.3	16.8	16.4	10.4	19.8	15.5	14.3	16.7	10.0	5.8	13.4	11.0	5.6	14.4
DK	17.1	16.1	18.1	12.7	11.1	14.1	23.9	24.4	23.7	20.6	20.6	20.6	7.5	5.5	9.3	17.1	16.2	17.7
DE	19.3	18.2	20.3	13.4	10.0	16.4	17.2	14.2	19.6	21.4	20.1	22.8	18.0	16.2	19.5	13.6	10.7	16.7
EE	25.3	25.3	25.2	27.1	17.4	32.9	32.4	16.6	38.2	22.6	23.3	22.0	28.3	17.1	34.9	27.6	16.2	32.0
IE	24.0	23.5	24.4	30.3	27.8	32.5	37.2	31.9	40.9	31.8	31.0	32.7	14.1	12.8	15.3	12.2	11.9	12.5
EL	27.5	25.8	29.2	34.3	29.2	38.6	43.4	40.8	45.4	38.9	37.5	40.2	20.8	20.8	20.8	25.7	22.6	28.1
ES	23.2	22.5	23.9	27.2	22.8	30.8	33.5	31.4	34.8	30.0	30.5	29.5	14.1	12.2	15.8	14.9	15.7	14.4
FR	18.9	17.8	20.0	17.3	16.0	18.4	19.8	17.7	21.2	19.7	18.7	20.7	8.6	7.7	9.4	12.2	10.5	13.4
HR	:	:	:	:	:	:	:	:	:	29.5	30.1	29.0	28.2	25.1	30.6	36.5	29.4	40.4
IT	25.0	23.2	26.8	24.1	20.4	27.3	26.6	20.8	30.0	29.9	28.9	31.0	21.4	19.1	23.4	23.9	19.3	26.7
CY	21.5	20.7	22.3	46.8	41.5	51.5	65.4	64.6	66.0	28.1	27.5	28.6	19.1	16.1	21.8	36.4	30.4	41.1
LV	44.5	43.0	45.9	53.7	44.8	58.8	57.7	49.0	60.7	34.9	35.1	34.8	36.6	31.0	39.9	35.4	23.9	39.7
LT	40.2	39.5	40.8	43.2	35.9	47.6	50.6	31.8	58.3	30.6	29.2	32.0	29.5	26.0	31.7	34.4	18.0	41.0
LU	18.7	17.1	20.3	8.6	10.1	7.3	7.0	9.1	5.6	20.8	20.2	21.4	5.8	5.7	6.0	8.8	7.3	10.0
HU	33.5	33.1	34.0	23.1	19.7	25.3	25.0	15.1	30.1	36.3	35.8	36.7	20.5	15.6	23.8	16.8	10.1	20.1
MT	19.5	18.0	21.0	27.0	24.4	29.2	27.1	28.1	26.5	24.6	23.6	25.7	20.9	20.0	21.7	20.7	21.6	20.0
NL	18.2	16.8	19.7	6.9	6.4	7.3	5.8	5.8	5.8	17.8	16.5	19.1	4.9	4.6	5.2	7.9	7.1	8.4
AT	17.8	16.5	19.1	11.3	8.2	13.9	20.4	15.4	23.0	19.3	18.2	20.4	15.3	11.3	18.7	17.5	15.9	18.5
PL	46.2	46.0	46.3	38.9	33.6	42.6	40.0	32.8	43.6	26.9	26.8	26.9	21.9	17.5	25.2	17.2	11.9	19.9
PT	24.6	24.1	25.1	27.1	26.0	28.0	41.1	40.6	41.5	29.2	29.3	29.0	17.1	15.7	18.3	23.6	21.5	24.8
RO	:	:	:	:	:	:	:	:	:	41.3	40.9	41.8	31.2	26.9	34.4	39.5	31.5	44.3
SI	17.6	16.7	18.5	20.7	12.8	26.6	28.8	18.1	33.9	19.9	19.9	20.0	18.8	15.8	21.1	28.3	15.9	35.3
SK	32.4	31.2	33.6	27.0	24.8	28.6	32.1	27.5	34.4	20.7	20.3	21.1	11.8	8.9	13.6	16.7	13.3	18.6
FI	16.6	16.7	16.5	14.2	10.0	17.6	27.6	17.4	32.8	15.8	16.5	15.0	10.8	9.5	12.0	24.6	15.8	29.8
SE	15.0	14.6	15.5	8.0	6.1	9.8	14.5	7.2	19.0	16.4	16.1	16.7	9.8	6.9	12.6	25.0	12.7	33.2
UK	24.5	23.7	25.4	22.5	20.3	24.4	29.8	26.6	32.0	26.2	25.1	27.2	15.3	14.2	16.3	21.5	18.9	23.5

Data source: Eurostat. Note: : - not available

Table A2-4: Population by tenure status, 2012

Member State	Owner			Tenant		
	Total	No outstanding mortgage or housing loan	With mortgage or loan	Total	Rent at reduced price or free	Rent at market price
EU-28	72.4	45.1	27.4	27.6	10.0	17.6
BE	74.9	31.9	43.0	25.1	7.5	17.6
BG	88.5	86.4	2.1	11.5	10.0	1.5
CZ	80.6	63.2	17.4	19.4	6.5	13.0
DK	63.9	13.5	50.4	36.1	0.4	35.7
DE	55.7	25.5	30.2	44.3	7.0	37.3
EE	82.3	63.7	18.6	17.7	14.4	3.4
IE	72.2	38.5	33.8	27.8	12.9	14.9
EL	74.8	59.8	15.0	25.2	5.2	20.0
ES	78.3	46.7	31.6	21.7	8.3	13.4
FR	63.9	35.1	28.9	36.1	16.9	19.2
HR	90.1	87.2	2.8	9.9	8.6	1.4
IT	73.9	57.3	16.5	26.1	12.1	14.0
CY	74.7	58.2	16.5	25.3	12.9	12.4
LV	82.9	73.0	9.9	17.1	9.2	7.9
LT	92.2	86.2	6.0	7.8	6.3	1.5
LU	72.1	31.1	41.0	27.9	4.2	23.7
HU	91.0	69.2	21.8	9.0	5.9	3.1
MT	82.5	66.3	16.2	17.5	15.2	2.2
NL	68.5	8.2	60.3	31.5	0.5	31.0
AT	59.6	32.7	27.0	40.4	15.1	25.3
PL	83.4	73.8	9.6	16.6	12.5	4.1
PT	75.4	40.1	35.2	24.6	14.0	10.7
RO	96.5	95.7	0.8	3.5	2.4	1.1
SI	76.6	68.8	7.8	23.4	17.9	5.5
SK	90.1	80.6	9.5	9.9	1.6	8.4
FI	72.7	31.4	41.3	27.3	15.1	12.2
SE	70.5	9.2	61.2	29.5	0.2	29.3
UK	70.9	30.6	40.3	29.1	12.8	16.3

Data source: Eurostat

Table A2-5: Distribution of population by tenure status (population from 18 to 64 years and population aged 65 and over), percentage, in 2013

Member State	Population aged from 18 to 64 years						Population aged 65 and over					
	Total		Men		Women		Total		Men		Women	
	Owner	Tenant	Owner	Tenant	Owner	Tenant	Owner	Tenant	Owner	Tenant	Owner	Tenant
EU-28	71.4	28.6	72.0	28.0	70.8	29.2	77.7	22.3	79.6	20.4	76.2	23.8
BE	75.6	24.4	75.5	24.5	75.6	24.4	76.9	23.1	80.6	19.4	74.1	25.9
BG	85.8	14.2	85.6	14.4	86.0	14.0	90.5	9.5	92.7	7.3	89.0	11.0
CZ	81.1	18.9	81.5	18.5	80.7	19.3	81.8	18.2	85.1	14.9	79.4	20.6
DK	59.8	40.2	60.8	39.2	58.9	41.1	66.9	33.1	73.3	26.7	61.5	38.5
DE	50.1	49.9	51.4	48.6	48.8	51.2	57.3	42.7	60.9	39.1	53.9	46.1
EE	80.7	19.3	79.8	20.2	81.5	18.5	81.2	18.8	84.0	16.0	79.8	20.2
IE	76.0	24.0	76.8	23.2	75.1	24.9	90.4	9.6	89.2	10.8	91.5	8.5
EL	78.5	21.5	78.5	21.5	78.4	21.6	88.8	11.2	90.8	9.2	87.2	12.8
ES	82.4	17.6	82.8	17.2	82.1	17.9	89.9	10.1	91.0	9.0	89.0	11.0
FR	62.8	37.2	63.2	36.8	62.4	37.6	77.9	22.1	82.0	18.0	74.9	25.1
HR	88.5	11.5	88.7	11.3	88.2	11.8	96.4	3.6	96.5	3.5	96.4	3.6
IT	76.4	23.6	76.2	23.8	76.6	23.4	83.8	16.2	85.6	14.4	82.5	17.5
CY	82.9	17.1	81.7	18.3	84.1	15.9	55.2	44.8	60.2	39.8	50.9	49.1
LV	81.2	18.8	82.1	17.9	80.4	19.6	87.5	12.5	89.5	10.5	86.5	13.5
LT	91.8	8.2	91.6	8.4	92.0	8.0	97.1	2.9	97.3	2.7	97.0	3.0
LU	84.6	15.4	84.8	15.2	84.3	15.7	89.8	10.2	90.8	9.2	88.8	11.2
HU	89.9	10.1	90.2	9.8	89.6	10.4	92.8	7.2	94.8	5.2	91.7	8.3
MT	82.3	17.7	82.1	17.9	82.5	17.5	71.3	28.7	72.7	27.3	70.2	29.8
NL	67.1	32.9	68.1	31.9	66.0	34.0	54.4	45.6	59.4	40.6	50.2	49.8
AT	63.5	36.5	64.2	35.8	62.7	37.3	55.1	44.9	58.2	41.8	52.7	47.3
PL	83.6	16.4	84.0	16.0	83.3	16.7	86.8	13.2	88.3	11.7	85.9	14.1
PT	75.8	24.2	76.0	24.0	75.7	24.3	77.1	22.9	79.5	20.5	75.5	24.5
RO	95.4	4.6	95.4	4.6	95.5	4.5	99.2	0.8	99.4	0.6	99.0	1.0
SI	79.4	20.6	79.9	20.1	78.9	21.1	86.2	13.8	89.7	10.3	83.8	16.2
SK	90.6	9.4	90.6	9.4	90.5	9.5	96.9	3.1	97.7	2.3	96.4	3.6
FI	69.8	30.2	69.9	30.1	69.7	30.3	82.9	17.1	86.0	14.0	80.6	19.4
SE	68.7	31.3	68.7	31.3	68.6	31.4	72.1	27.9	77.1	22.9	68.1	31.9
UK	66.8	33.2	67.8	32.2	65.8	34.2	80.2	19.8	81.8	18.2	78.9	21.1

Data source: Eurostat.

Table A2-6: Share of housing costs in disposable household income and housing cost overburden rate, 2013

Member State	Share of housing costs in disposable household income, by type of household				Housing cost overburden rate									
	Less than 65 years		65 years or over		Aged 18-64			65 years or over			By tenure status (total population)			
	One adult	Two adults	One adult	Two adults, at least one aged 65+	Total	Men	Women	Total	Men	Women	Owner, with mortgage or loan	Owner, no outstanding mortgage or housing loan	Tenant, rent at market price	Tenant, rent at reduced price or free
EU-28	35.0	22.5	28.2	18.7	11.3	10.8	11.8	10.3	8.1	12.1	7.7	6.8	25.7	10.6
BE	34.4	19.0	31.1	18.8	9.7	9.4	10.0	11.2	8.2	13.5	3.8	1.6	34.0	12.8
BG	32.8	26.1	43.0	29.0	11.5	11.1	11.8	24.3	18.7	28.2	11.6	13.4	36.3	17.7
CZ	37.7	24.9	35.4	23.8	11.0	9.9	12.1	14.3	9.1	18.2	10.8	6.7	32.7	7.6
DK	42.3	27.0	41.4	30.0	19.7	19.3	20.0	24.5	19.2	28.9	7.5	6.8	38.6	:
DE	39.8	26.7	39.2	27.2	15.8	14.2	17.2	22.5	19.3	25.5	12.2	12.1	22.3	15.8
EE	25.9	17.9	25.7	16.2	7.4	7.4	7.5	5.9	2.9	7.3	9.2	4.8	25.6	10.4
IE*	29.5	17.4	24.6	13.5	5.6	5.6	5.6	3.2	2.8	3.5	1.4	1.7	17.8	6.8
EL	57.4	39.9	44.9	31.9	38.1	36.7	39.5	26.7	21.1	31.3	28.6	32.2	58.3	38.0
ES	32.5	21.9	19.6	13.3	11.1	11.1	11.2	3.9	3.5	4.1	8.2	2.8	42.3	9.5
FR	29.9	17.4	20.8	11.6	6.1	5.9	6.3	3.0	1.3	4.3	1.2	0.7	15.8	8.3
HR	33.7	24.5	29.3	21.2	8.2	8.0	8.4	9.4	6.2	11.5	26.4	6.7	49.8	9.8
IT	25.6	17.8	21.2	14.7	8.9	8.2	9.6	6.1	3.9	7.7	6.7	2.7	32.9	10.4
CY	21.3	14.2	13.4	10.1	3.3	2.7	3.8	1.6	1.0	2.1	5.2	0.5	17.7	0.9
LV	36.3	22.6	33.9	21.2	10.9	10.1	11.6	14.0	8.9	16.4	16.2	9.9	17.1	12.7
LT	30.3	18.1	28.8	18.4	7.6	7.1	8.2	9.8	5.4	12.0	15.1	7.1	23.5	11.1
LU	23.1	13.9	11.3	7.8	6.0	5.7	6.3	2.7	1.8	3.5	1.2	0.5	21.4	4.6
HU	36.6	26.3	30.8	22.1	13.3	12.9	13.8	8.2	5.1	10.0	29.8	6.7	36.2	12.0
MT	18.9	11.8	11.9	9.7	2.4	2.3	2.6	1.9	1.8	2.0	4.6	1.3	28.2	2.3
NL	43.2	27.9	34.3	23.4	17.2	17.2	17.1	11.1	8.2	13.5	13.2	3.7	23.2	0.0
AT	29.8	19.4	26.0	16.8	7.3	7.0	7.6	7.7	5.6	9.3	2.9	2.8	15.5	8.7
PL	36.9	25.4	31.4	22.5	10.3	9.8	10.8	10.0	5.4	12.8	13.8	8.4	28.5	13.0
PT	28.1	19.5	18.4	13.6	8.6	8.1	9.1	3.2	2.7	3.6	6.8	2.5	35.2	6.3
RO	40.8	28.6	36.0	22.7	15.0	14.2	15.8	15.1	11.0	17.8	23.4	14.8	43.4	18.8
SI	26.7	18.7	26.2	16.9	5.9	6.2	5.6	7.1	4.6	8.9	11.6	3.4	25.8	6.8
SK	30.8	22.7	29.2	21.7	7.7	7.1	8.2	8.1	6.1	9.3	26.5	5.7	12.9	11.9
FI	30.6	16.4	25.2	13.6	5.2	5.2	5.3	5.4	4.0	6.4	2.6	2.6	15.0	8.5
SE	35.8	18.6	38.1	19.2	8.0	8.8	7.2	12.7	5.0	19.1	2.9	8.2	17.6	69.2
UK	34.3	20.3	20.9	12.7	9.0	9.4	8.6	3.9	3.8	4.0	4.3	1.5	25.2	8.1

Data source: Eurostat. Note: : - not available

Table A2-7: The severe housing deprivation rate, 2013

Member State	The severe housing deprivation rate					
	From 18 to 64 years			65 years or over		
	Total	Men	Women	Total	Men	Women
EU-28	5.4	5.5	5.2	2.1	1.7	2.4
BE	0.9	1.0	0.8	0.2	0.1	0.2
BG	12.2	12.4	12.1	5.2	4.3	5.9
CZ	3.9	3.7	4.2	1.5	1.3	1.6
DK	3.2	3.4	2.9	0.0	0.0	0.0
DE	1.8	1.7	1.9	0.2	0.4	0.1
EE	5.8	5.6	6.0	3.3	2.2	3.8
IE	1.4	1.4	1.4	0.1	0.3	0.0
EL	7.5	7.9	7.0	4.9	4.2	5.5
ES	1.9	2.0	1.8	0.2	0.2	0.2
FR	2.3	2.4	2.3	0.4	0.7	0.1
HR	9.4	9.1	9.6	5.6	4.3	6.5
IT	9.7	9.9	9.6	3.3	3.2	3.4
CY	1.4	1.7	1.3	0.6	0.4	0.7
LV	16.4	16.6	16.3	8.8	6.8	9.8
LT	8.7	8.4	8.8	4.4	4.2	4.5
LU	1.7	1.8	1.7	0.7	0.8	0.7
HU	16.9	17.1	16.8	8.3	5.6	9.8
MT	1.2	1.4	1.0	0.6	0.9	0.3
NL	1.0	1.2	0.8	0.0	0.0	0.0
AT	3.7	3.4	3.9	1.0	1.5	0.6
PL	9.9	10.4	9.5	7.0	5.5	8.0
PT	5.7	6.0	5.5	2.4	1.6	3.1
RO	21.8	22.8	20.7	13.0	10.8	14.6
SI	6.7	6.3	7.1	2.1	1.1	2.7
SK	4.1	4.2	4.1	1.6	0.7	2.1
FI	0.8	1.0	0.6	0.5	0.4	0.6
SE	1.8	1.7	2.0	0.1	0.1	0.0
UK	2.4	2.6	2.2	0.3	0.2	0.3

Data source: Eurostat.

Table A2-8: The at-risk-of-poverty-rate for owners and tenants aged 65 and over, 2013

Member State	2005						2013											
	Owners			Tenants			Owners						Tenants					
	65 years or over			65 years or over			Aged 18-64			65 years or over			Aged 18-64			65 years or over		
	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women
EU-28	:	:	:	:	:	:	12.7	12.4	13.0	13.1	10.7	15.0	26.6	26.4	26.8	16.6	14.7	18.0
BE	20.6	19.3	21.6	24.5	25.4	24.0	6.0	5.8	6.3	16.9	15.9	17.7	33.5	33.4	33.5	24.0	22.3	25.0
BG	:	:	:	:	:	:	17.0	17.3	16.7	27.8	21.0	32.5	19.4	18.9	19.9	41.0	:	:
CZ	4.7	2.1	6.6	7.4	2.1	10.4	7.1	6.5	7.7	5.7	2.6	8.0	15.8	14.6	17.1	6.5	3.3	8.3
DK	24.0	19.6	28.2	8.0	9.9	7.0	4.0	5.2	2.7	13.5	10.0	16.9	28.5	29.1	27.9	4.9	5.1	4.8
DE	11.5	9.7	13.5	15.6	11.2	18.7	7.9	7.2	8.7	11.0	9.5	12.6	26.5	26.0	26.9	21.3	18.7	23.4
EE	20.4	9.4	25.9	15.9	:	13.0	16.6	16.9	16.4	24.2	13.0	29.7	25.2	23.4	27.0	32.6	24.2	36.4
IE	31.7	26.9	35.5	43.6	47.1	40.7	11.0	11.0	11.0	9.7	9.1	10.2	21.2	22.7	20.0	14.3	18.2	10.0
EL	28.5	25.7	30.7	21.1	18.3	22.9	22.6	22.1	23.1	14.9	13.3	16.3	29.4	28.0	30.8	17.1	20.7	15.0
ES	28.5	25.2	31.0	32.9	30.1	34.6	16.6	16.6	16.6	12.0	11.4	12.5	38.6	39.1	38.0	23.7	24.7	23.0
FR	16.3	14.0	18.1	16.9	19.1	15.8	7.3	6.5	8.1	7.8	6.3	8.9	25.1	24.4	25.8	12.2	12.3	12.2
HR	:	:	:	:	:	:	17.6	18.0	17.2	23.4	18.6	26.5	23.0	24.0	22.1	27.2	:	:
IT	21.8	18.3	24.4	27.7	20.6	32.0	16.0	15.0	17.1	14.7	12.2	16.6	29.9	28.9	30.8	19.4	13.7	23.1
CY	51.4	47.5	54.7	38.9	39.6	38.3	12.3	11.4	13.1	20.1	16.1	23.6	28.6	27.2	30.0	19.9	19.1	20.5
LV	19.9	10.9	24.3	29.7	15.7	35.4	17.2	17.7	16.7	16.8	9.0	20.6	29.0	27.4	30.3	27.8	31.3	26.5
LT	17.0	6.4	22.5	:	:	:	18.5	18.6	18.5	19.3	10.7	23.8	36.5	38.7	35.1	:	:	:
LU	5.4	7.0	4.1	24.7	27.7	22.7	9.3	8.8	9.9	5.4	4.5	6.1	30.7	29.1	32.2	11.6	13.9	10.0
HU	6.6	4.2	7.9	5.0	2.5	6.6	13.7	13.7	13.7	4.4	2.8	5.4	22.3	20.7	23.6	2.6	3.2	2.3
MT	23.4	23.7	23.1	22.9	21.8	23.7	12.4	11.6	13.1	14.0	14.7	13.4	21.0	17.8	24.4	17.8	19.0	16.8
NL	5.4	4.7	6.0	5.3	5.1	5.5	4.7	4.2	5.1	6.4	5.4	7.3	23.9	24.1	23.7	4.5	4.0	4.9
AT	14.3	10.9	16.9	12.8	5.1	16.8	7.5	7.0	8.0	15.4	12.6	17.5	21.4	20.6	22.2	15.6	12.4	17.9
PL	7.3	5.0	8.7	6.1	1.1	8.2	16.4	16.8	16.1	12.1	8.5	14.4	21.1	19.9	22.3	18.3	8.6	22.0
PT	28.5	28.2	28.7	24.0	24.1	24.0	15.8	15.9	15.6	14.3	13.0	15.2	31.3	31.1	31.4	15.9	17.3	15.1
RO	:	:	:	:	:	:	21.6	22.3	20.9	15.1	9.7	18.7	16.8	13.9	19.8	:	:	:
SI	19.7	10.7	25.5	29.5	20.7	33.6	11.1	11.4	10.7	19.6	12.2	24.7	31.2	30.5	32.1	45.2	41.6	47.4
SK	4.5	2.6	5.9	15.7	3.2	19.7	11.3	11.2	11.4	6.1	3.3	7.7	21.2	20.7	21.7	3.5	:	4.6
FI	18.2	10.4	23.8	21.4	15.2	24.4	5.5	6.0	5.1	14.4	9.6	18.2	24.7	26.5	22.9	25.2	23.8	25.8
SE	9.6	5.6	13.4	11.4	8.0	13.0	5.8	6.2	5.3	13.5	7.9	18.8	30.0	29.8	30.1	22.5	12.8	28.2
UK	26.3	22.0	29.8	19.8	21.3	18.9	9.7	9.2	10.2	18.0	15.8	19.9	23.5	24.2	22.8	10.7	9.5	11.6

Data source: Eurostat. Note: : - not available

Table A2-9: Impact of imputed rents: percentage increase in disposable income when augmented with imputed rents (2013) and percentage points change in the at-risk-of poverty rates when including imputed rents for the home-owners aged 65 and over (2013)

Member State	Percentage (%) increase in disposable income when augmented with imputed rents for the owners aged 65 or over	Percentage points change in the at-risk-of poverty rates when including imputed rents for the home-owners aged 65 and over
EU-28	17.8	-7.0
BE	20.4	-12.7
BG	26.1	-2.9
CZ	1.0	-0.3
DK	30.8	-12.7
DE	23.3	-7.2
EE	11.0	-7.1
IE	31.2	-8.2
EL	25.0	-10.4
ES	24.2	-10.9
FR	13.8	-4.6
HR	2.8	-0.8
IT	25.0	-10.4
CY	21.2	-14.7
LV	9.6	-5.5
LT	16.3	-5.2
LU	17.2	-3.5
HU	24.0	-3.1
MT	9.4	-8.8
NL	1.0	-4.6
AT	13.4	-4.8
PL	22.3	-6.6
PT	3.4	:
RO	2.5	-0.1
SI	14.7	-6.1
SK	16.8	-9.5
FI	19.4	-8.9
SE	15.6	-13.2
UK	20.4	-12.6

Source: OECD calculation based on EU-SILC 2013 (August 2014). Note: : - data not available. Poverty is computed with respect to a threshold of 60% of the median equivalised household income. However, OECD calculation uses the square root scale to equivalise the income while Eurostat uses a different equivalence scale. The OECD-modified scale gives different weights to the members of the households (1 to the household head, 0.5 to each additional adult member, and 0.3 to each child).

Table A2-10: Financial wealth by age groups, 2013

Member State	The share of financial assets on total gross assets			Percentage of households holding debts			Net wealth (means), EUR thousands		
	55-64	65-74	75+	55-64	65-74	75+	55-64	65-74	75+
Average	17.3	17.8	22.0	43.1	23.7	7.7	344.4	283.6	220.9
BE	32.4	32.0	37.3	36.5	19.6	6.4	436.3	500.5	432.4
DE	19.6	21.5	25.7	53.3	27.6	8.7	330.7	248.5	166.8
EL	7.7	7.1	7.0	39.3	20.7	9.5	187.1	151.6	114.3
ES	12.7	9.9	10.3	47.3	21.8	9.4	467.0	331.6	265.8
FR	19.5	24.3	30.0	45.1	27.0	6.8	343.2	324.6	241.2
IT	12.0	9.1	11.2	23.7	12.2	2.7	394.8	324.9	237.1
CY	9.6	9.5	9.7	64.6	30.5	3.3	964.9	581.2	229.9
LU	12.4	9.5	17.8	55.4	28.0	9.1	855.3	1245.8	882.2
MT	18.1	15.4	17.4	34.3	9.3	2.0	452.1	257.7	270.5
NL	27.7	25.0	41.7	58.7	51.2	33.9	209.3	225.9	271.1
AT	17.0	21.1	18.0	32.1	20.0	9.1	342.7	246.5	191.4
PT	12.4	12.2	15.5	33.4	12.6	3.3	237.3	166.3	135.4
SI	6.2	3.4	8.1	42.8	20.6	12.8	163.2	115.1	113.7
SK	10.0	6.6	:	17.3	7.1	0.0	94.8	71.6	76.5
FI	16.1	16.9	18.3	57.4	32.0	14.2	234.0	225.0	167.0

Data source: The Eurosystem Household Finance ad Consumption Survey. Results from the first wave. European Central Bank. Statistics paper series. No 2 / April 2013. Note: data available for 15 Member States

Table A2-11: Self-reported unmet needs for medical examination (reasons: too expensive or too far to travel or waiting list)

Member State	2013			2008			2013			2013		
	People aged 65 or over			From 65 to 74 years	From 75 to 84 years	85 years or over	From 65 to 74 years	From 75 to 84 years	85 years or over	The main reasons of self-reported unmet needs for medical examination, poorest income quintile of people aged 65 or over		
	First quintile of equivalised income	Third quintile of equivalised income	Fifth quintile of equivalised income	*First quintile of equivalised income*						Too expensive	Waiting list	Too far to travel
EU-28	7.5	4.3	2.0	:	:	:	7.3	8.2	6.0	5.2	1.6	0.8
BE	1.7	0.8	:	0.6	0.8	:	2.0	2.1	:	1.4	:	0.3
BG	17.2	9.6	2.5	30.7	26.2	16.4	17.4	16.9	17.2	11.6	2.4	3.3
CZ	2.1	0.9	:	1.5	1.2	:	1.2	3.5	1.6	0.5	0.4	1.3
DK	0.8	0.5	:	:	1.0	:	:	0.9	2.9	0.4	0.4	:
DE	3.6	0.6	0.2	3.9	1.4	:	2.8	4.9	4.4	1.7	1.3	0.6
EE	12.3	8.3	11.8	10.5	12.2	17.1	12.6	12.5	8.3	1.5	9.8	1.0
IE	3.5	2.6	1.4	2.0	1.2	0.9	2.9	2.0	11.1	0.3	3.2	:
EL	20.2	14.2	1.7	13.4	12.6	15.7	18.1	24.6	16.1	17.9	1.4	0.9
ES	2.2	0.3	0.1	0.5	0.3	1.0	2.2	2.4	1.4	1.7	0.4	0.2
FR	4.8	1.5	0.2	3.6	1.7	1.4	6.2	5.3	:	3.9	0.4	0.5
HR	14.4	3.3	2.1	:	:	:	14.0	15.5	12.1	5.1	0.7	8.7
IT	17.9	6.9	2.2	13.1	11.4	12.2	19.2	18.7	11.8	15.1	2.6	0.3
CY	3.7	3.5	:	3.9	3.5	6.8	6.0	1.8	2.9	3.7	:	:
LV	28.8	19.3	7.9	24.9	19.0	9.4	32.0	27.0	19.9	23.8	1.7	3.2
LT	8.5	6.0	4.1	9.1	13.4	15.8	9.8	7.2	7.9	1.9	5.1	1.5
LU	5.5	1.2	:	:	:	:	8.0	2.7	:	5.5	:	:
HU	6.1	1.6	0.5	7.1	6.3	5.9	8.1	2.4	4.2	3.7	0.6	1.8
MT	1.0	0.6	:	1.5	0.7	:	1.7	:	:	0.5	0.3	0.1
NL	1.0	0.2	:	:	:	:	0.5	0.5	4.9	0.1	0.2	0.7
AT	0.7	:	0.2	1.5	1.1	3.5	1.1	0.4	:	0.6	:	0.1
PL	18.3	13.5	11.8	13.7	15.4	11.6	18.9	17.4	16.9	9.8	6.7	1.7
PT	4.8	2.8	1.2	3.2	2.0	2.7	3.7	5.7	5.2	3.1	0.4	1.3
RO	34.2	23.6	12.6	33.4	41.3	34.6	23.6	42.1	44.7	30.9	0.3	3.0
SI	0.1	:	:	:	0.7	:	:	:	1.0	:	0.1	:
SK	2.8	4.0	5.0	3.2	6.3	2.3	1.4	5.7	:	1.6	1.0	0.3
FI	7.1	6.7	3.9	4.5	0.3	2.1	9.4	5.4	6.3	0.3	6.8	:
SE	0.9	0.9	0.8	2.3	0.5	0.7	1.2	1.2	:	0.4	0.2	0.2
UK	1.9	1.7	1.8	0.7	0.7	1.4	1.6	2.0	2.3	0.1	1.3	0.5

Data source: Eurostat. Note: Other reasons are not included (No time; Didn't know any good doctor or specialist; Fear of doctor, hospital, examination or treatment; Wanted to wait and see if problem got better on its own; Other reasons; : - not available).

Table A2-12: Employment rate of older people (by age groups and gender) in the EU-28, in 2007

MS	50-54 years			55-59 years			60-64 years			65-69 years			70-74 years			75+ years		
	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women
EU-28	74.9	83.1	66.9	57.4	67.1	48.2	29.1	37.7	21.1	9.6	12.9	6.7	4.9	6.9	3.4	1.2	2.0	0.7
BE	72.4	83.8	61.2	49.3	59.6	39.3	17.0	22.8	11.4	3.3	5.2	1.7	1.9	3.1	:	1.0	1.7	0.6
BG	75.2	77.0	73.5	59.6	64.5	55.3	23.7	37.5	11.7	6.6	10.5	3.5	3.0	4.9	:	0.7	:	:
CZ	84.9	87.8	82.0	63.3	77.3	50.1	25.7	38.3	14.6	9.4	13.6	6.2	4.1	6.0	2.7	1.1	2.1	0.6
DK	85.2	88.1	82.2	80.7	84.5	76.8	38.8	46.6	31.0	12.5	18.4	6.9	5.9	9.2	3.1	:	:	:
DE	79.7	85.2	74.2	68.1	76.0	60.5	33.4	42.1	25.2	7.1	9.2	5.2	3.3	4.4	2.3	0.9	1.7	0.5
EE	84.8	83.4	86.0	75.6	75.6	75.6	42.0	39.2	44.0	28.7	27.6	29.3	9.2	13.3	7.0	:	:	:
IE	72.7	83.7	61.8	61.1	75.1	46.9	45.6	60.0	31.1	18.7	27.1	10.4	9.1	15.5	3.3	3.3	7.3	:
EL	67.2	86.8	48.2	53.0	73.2	32.9	30.9	43.0	19.8	10.4	16.3	5.3	3.7	6.0	1.7	1.0	1.8	0.5
ES	68.3	84.6	52.0	55.2	73.0	38.0	32.9	45.4	21.3	5.2	7.5	3.1	1.7	2.7	0.9	0.4	0.7	0.2
FR	81.0	86.4	75.9	55.7	58.6	53.1	15.1	16.0	14.4	3.2	4.1	2.3	1.3	1.9	0.9	0.3	0.4	:
HR	63.4	74.1	52.7	46.7	61.7	32.5	23.4	32.5	15.6	7.8	8.2	7.5	6.3	7.2	5.7	2.5	4.1	1.7
IT	70.1	87.6	53.1	45.6	58.6	33.2	19.2	28.7	10.3	7.3	12.0	3.1	3.1	5.6	1.0	0.9	1.9	0.3
CY	78.7	92.3	65.2	67.2	83.1	52.1	45.7	63.4	28.8	19.8	33.2	7.8	10.2	17.0	4.4	5.1	8.6	:
LV	80.9	82.7	79.3	72.2	74.8	70.2	41.5	51.7	34.5	23.9	32.1	18.8	12.0	17.4	9.2	:	:	:
LT	78.2	79.5	77.1	68.0	71.3	65.4	36.1	47.6	27.8	12.5	17.7	9.1	3.9	:	:	:	:	:
LU	71.8	89.8	53.7	44.1	48.4	39.9	8.9	10.5	7.2	:	:	:	:	:	:	:	:	:
HU	69.6	71.0	68.2	48.0	57.2	40.0	13.1	17.9	9.4	4.9	6.7	3.6	1.2	2.1	:	:	:	:
MT	54.6	84.1	24.5	44.6	69.8	19.8	11.8	21.3	:	3.9	7.5	:	:	:	:	:	:	:
NL	80.7	89.7	71.7	68.5	80.6	56.2	31.1	39.9	22.2	10.2	14.6	5.9	5.1	8.5	2.4	1.7	2.9	0.9
AT	78.0	82.4	73.7	52.4	65.0	40.7	16.9	23.8	10.4	7.1	9.3	5.2	4.9	6.4	3.7	2.1	4.4	0.9
PL	63.2	70.1	56.7	36.7	50.4	24.5	18.3	26.5	11.5	8.5	12.3	5.9	5.3	7.8	3.7	1.8	3.2	1.1
PT	73.6	82.4	65.3	58.9	65.7	52.6	42.1	50.2	35.1	27.1	31.8	23.1	20.5	27.3	15.2	11.4	16.5	8.3
RO	65.5	74.6	56.9	49.2	60.4	39.0	30.8	35.9	26.4	28.7	33.3	25.1	23.8	27.7	21.0	:	:	:
SI	74.2	78.7	69.4	45.2	60.7	29.7	17.0	22.1	12.5	12.8	15.4	10.4	9.6	11.9	8.1	5.3	8.7	3.7
SK	75.8	79.7	72.0	50.2	70.6	31.8	15.4	25.8	7.1	2.3	2.5	2.2	:	:	:	:	:	:
FI	81.8	79.9	83.7	68.0	65.7	70.4	39.0	41.4	36.8	9.7	13.3	6.6	3.9	6.5	1.8	:	:	:
SE	85.8	87.5	84.0	80.6	83.1	78.2	60.8	64.6	56.9	14.7	19.1	10.5	6.5	9.7	3.7	:	:	:
UK	80.4	84.9	76.0	69.6	74.9	64.4	44.6	57.0	32.7	15.7	20.7	11.1	6.5	8.8	4.4	1.6	2.6	1.0

Data source: Eurostat. Note: Reporting country

Table A2-13: Employment rate of older people (by age groups and gender) in the EU-28, in 2013

MS	50-54 years			55-59 years			60-64 years			65-69 years			70-74 years			75+ years		
	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women
EU-28	76.3	81.9	70.9	65.1	72.0	58.4	34.3	41.8	27.4	11.2	14.7	8.1	5.5	7.5	3.8	1.2	2.1	0.7
BE	76.4	83.7	69.3	59.8	66.6	53.2	22.5	27.2	18.0	4.1	5.9	2.6	2.2	3.5	1.1	1.3	2.1	0.8
BG	73.1	72.2	74.0	62.6	62.0	63.2	32.4	41.6	24.6	7.8	11.0	5.3	2.2	3.5	:	:	:	:
CZ	86.9	89.4	84.4	73.5	82.0	65.2	30.1	42.7	18.5	9.7	12.6	7.5	5.0	6.3	3.9	1.0	1.8	0.5
DK	83.6	84.8	82.4	78.8	82.0	75.5	45.0	51.5	38.6	15.1	20.3	9.8	5.5	8.2	3.1	:	:	:
DE	84.0	87.7	80.3	77.1	81.7	72.8	50.8	58.2	43.9	12.8	16.5	9.4	5.5	7.6	3.8	1.6	2.6	0.9
EE	81.2	81.4	81.0	75.8	71.1	79.6	53.4	51.8	54.6	28.6	27.1	29.6	13.6	17.5	11.4	:	:	:
IE	69.1	76.2	62.2	60.5	67.3	53.9	41.5	50.7	32.5	16.7	23.4	10.1	10.0	15.2	5.1	3.3	6.6	:
EL	56.9	71.5	43.7	45.9	60.1	32.7	24.1	31.2	17.7	6.3	9.2	3.6	2.1	3.2	1.1	0.5	1.0	:
ES	64.1	71.9	56.4	54.5	63.4	45.8	30.6	36.6	24.9	4.5	5.4	3.7	1.2	1.4	1.0	0.3	0.5	0.2
FR	81.5	85.7	77.5	68.6	72.1	65.3	23.2	24.5	22.1	5.6	6.9	4.3	1.7	2.3	1.3	0.3	0.5	0.3
HR	62.7	66.9	58.6	49.2	56.9	41.9	24.9	31.3	19.2	7.3	9.1	5.7	4.4	6.7	2.8	1.6	2.5	1.1
IT	69.9	83.2	56.9	58.4	70.4	46.9	25.1	33.9	16.7	7.8	12.4	3.6	3.6	6.1	1.5	0.9	1.9	0.2
CY	70.4	80.7	59.9	63.5	73.3	53.6	37.4	50.8	24.0	13.7	19.0	8.9	9.0	13.9	4.6	3.5	7.6	:
LV	76.5	74.7	78.0	72.1	70.9	73.1	40.9	40.0	41.4	19.1	20.4	18.4	11.6	14.7	10.0	:	:	:
LT	76.0	76.0	76.0	67.0	68.1	66.0	37.8	41.5	35.1	11.9	16.3	9.0	5.8	:	:	:	:	:
LU	80.4	91.2	69.7	52.8	57.5	48.1	18.7	25.6	11.9	5.7	9.0	:	:	:	:	:	:	:
HU	74.1	74.2	74.0	57.6	64.8	51.4	15.5	21.0	11.1	4.9	6.4	3.8	1.5	2.8	:	:	:	:
MT	60.9	84.0	38.1	53.2	77.5	29.1	20.0	31.2	8.8	7.0	12.2	:	4.1	7.6	:	:	:	:
NL	80.3	86.2	74.4	72.3	81.2	63.5	47.6	59.0	36.1	13.1	19.1	7.2	5.5	8.8	2.4	1.7	3.2	0.6
AT	83.0	86.5	79.4	63.6	73.1	54.4	21.5	30.3	13.3	9.0	11.3	7.0	5.8	8.1	4.0	2.1	3.9	0.9
PL	70.8	74.3	67.4	55.3	64.4	46.9	24.0	36.0	13.7	9.4	13.4	6.3	4.5	6.6	3.1	1.4	2.7	0.8
PT	71.2	74.9	67.9	57.5	64.5	51.2	35.9	42.2	30.3	20.3	27.6	14.3	15.4	22.7	9.7	8.2	14.1	4.6
RO	70.4	79.3	61.7	53.2	64.5	42.9	29.1	36.4	22.9	21.6	22.7	20.6	20.4	22.3	19.0	:	:	:
SI	77.3	77.4	77.3	47.5	57.2	38.0	16.8	23.3	10.2	8.2	10.6	6.1	6.1	8.0	4.8	2.5	3.9	1.7
SK	76.6	78.1	75.1	64.3	71.7	57.3	20.7	31.2	11.7	3.1	4.3	2.3	1.7	:	:	:	:	:
FI	82.4	81.0	83.8	73.6	70.1	76.8	44.0	43.9	44.1	12.2	15.5	9.2	4.9	7.5	2.5	:	:	:
SE	86.8	88.2	85.4	82.7	85.5	79.9	66.1	69.9	62.2	18.5	23.1	14.0	9.1	12.2	6.3	:	:	:
UK	80.8	84.3	77.4	72.6	77.2	68.1	46.4	55.8	37.2	20.6	25.6	15.9	8.6	11.2	6.2	2.2	3.4	1.4

Data source: Eurostat. Note: Reporting country

Table A2-14: Duration of working life (by gender), 2001-2013

MS	2001			2004			2007			2010			2013		
	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women
EU-28	32.9	36.3	29.3	33.3	36.4	30.0	34.1	37.1	30.9	34.5	37.3	31.6	35.1	37.7	32.5
BE	29.5	33.5	25.4	30.5	33.7	27.2	31.9	34.8	28.9	32.5	35.0	29.9	32.4	34.7	30.1
BG	30.1	31.5	28.6	29.9	31.5	28.3	31.6	33.2	30.0	31.5	33.1	29.9	32.0	33.2	30.7
CZ	33.4	36.5	30.2	33.3	36.3	30.2	33.8	37.1	30.3	33.9	37.3	30.4	34.7	37.7	31.5
DK	38.0	39.8	36.1	38.9	40.8	36.8	39.5	41.2	37.8	39.4	41.0	37.8	38.9	40.2	37.6
DE	34.6	37.7	31.2	34.9	37.9	31.8	36.4	39.2	33.4	36.8	39.4	34.1	37.8	40.1	35.4
EE	32.8	33.4	32.3	33.9	34.3	33.6	35.1	35.8	34.4	35.8	36.1	35.5	36.2	36.6	35.7
IE	33.3	39.4	26.8	33.7	39.3	27.8	35.5	40.4	30.4	34.3	38.2	30.0	34.5	38.3	30.5
EL	31.0	37.2	24.1	31.6	37.3	25.8	31.7	37.0	26.1	32.3	36.9	27.4	32.0	36.0	27.9
ES	30.3	36.8	23.5	32.0	37.3	26.5	33.7	38.1	29.0	34.5	37.6	31.1	34.8	37.1	32.3
FR	31.8	34.4	29.1	32.7	35.0	30.3	33.4	35.4	31.3	34.1	36.0	32.2	34.7	36.5	32.8
HR	30.4	33.2	27.6	31.4	34.2	28.4	31.3	33.8	28.7	31.2	33.3	29.1	31.0	33.1	28.8
IT	28.6	34.7	22.3	29.8	35.5	23.8	29.6	35.1	23.8	29.7	34.8	24.2	30.3	34.9	25.4
CY	35.1	40.3	29.5	36.1	41.1	30.7	36.5	40.9	31.6	36.9	40.7	33.1	36.2	39.8	32.5
LV	32.0	32.8	31.2	33.3	34.5	32.0	34.7	35.7	33.6	34.5	34.5	34.5	34.8	35.0	34.6
LT	32.9	33.3	32.4	32.6	33.1	32.0	31.5	31.5	31.4	33.1	32.8	33.5	34.1	34.1	34.2
LU	28.9	34.0	23.6	29.7	33.8	25.6	30.7	34.1	27.1	31.6	35.2	28.1	32.6	35.8	29.3
HU	27.5	30.3	24.6	28.0	30.4	25.5	28.8	31.2	26.3	29.3	31.3	27.3	30.8	33.0	28.4
MT	28.8	39.6	17.3	28.0	38.5	17.1	29.0	38.1	19.6	30.3	38.7	21.6	32.5	39.4	24.9
NL	36.1	40.1	32.0	37.2	40.6	33.6	38.7	41.8	35.5	39.0	41.8	36.2	39.8	42.4	37.0
AT	33.5	37.1	29.7	33.6	36.5	30.6	36.0	39.1	32.8	36.3	38.9	33.6	37.0	39.3	34.5
PL	31.4	33.5	29.1	30.3	32.6	27.8	30.2	32.8	27.5	31.6	34.1	29.0	32.2	34.7	29.6
PT	36.1	39.3	32.7	36.3	39.1	33.3	37.0	39.3	34.6	36.9	38.6	35.1	36.6	38.3	34.9
RO	35.3	36.9	33.6	31.9	34.1	29.7	31.8	34.2	29.3	31.6	34.2	28.9	32.0	34.6	29.2
SI	32.0	33.9	30.0	33.2	34.8	31.4	33.9	35.6	32.1	34.2	35.9	32.6	33.7	35.2	32.1
SK	32.6	35.2	29.8	32.6	35.2	29.8	32.0	34.9	29.0	32.4	35.2	29.5	32.9	35.6	30.0
FI	36.7	37.5	35.8	36.5	37.3	35.7	36.8	37.4	36.2	36.8	37.5	36.2	37.2	37.7	36.6
SE	38.3	39.3	37.2	38.4	39.5	37.3	39.8	41.0	38.5	40.0	41.6	38.4	40.9	42.1	39.6
UK	36.7	40.0	33.2	37.1	40.2	33.8	37.7	40.9	34.4	37.9	40.8	34.8	38.4	41.1	35.5

Data source: Eurostat

Table A2-15: Part-time employment by age groups (25-49 and 50-69) and average age at which people first received an old-age pension (years), 2012

MS	Part time employment by age group (as share of total employment)						Average age at which people first received an old-age pension (years)		
	25-49			50-69					
	Total	*Men*	*Women*	*Total*	*Men*	*Women*	Total	Men	Women
EU-28	17.0	6.1	29.9	21.8	10.9	35.1	59.1	59.4	58.8
BE	22.0	6.0	40.4	32.1	15.6	53.8	60.8	60.9	60.6
BG	1.8	1.7	1.8	3.1	2.5	3.7	57.5	58.1	57.0
CZ	4.0	1.2	7.7	8.1	5.3	11.7	58.9	60.8	57.7
DK	17.2	7.7	27.6	21.5	11.6	33.0	62.0	62.2	61.7
DE	25.2	7.6	45.6	29.6	11.5	50.9	61.1	61.2	61.0
EE	7.0	3.5	11.0	12.4	6.2	17.3	59.5	60.7	58.7
IE	19.3	9.9	29.7	27.4	14.4	44.2	60.9	60.9	60.8
EL	7.3	4.5	11.1	6.8	3.8	11.9	57.8	58.0	57.5
ES	14.0	6.0	23.5	11.5	4.4	20.8	61.8	61.7	61.9
FR	16.1	4.8	28.5	20.6	9.1	32.9	58.9	58.6	59.3
HR	4.3	3.5	5.2	11.6	9.5	14.3	57.7	60.1	56.0
IT	17.5	6.1	32.9	13.6	6.7	24.1	58.0	57.8	58.4
CY	8.4	5.2	11.6	11.9	9.2	15.8	61.5	61.2	61.9
LV	7.0	4.9	9.1	11.4	9.2	13.1	59.5	60.5	58.9
LT	7.7	5.9	9.3	10.8	8.7	12.7	59.5	60.6	58.9
LU	16.9	3.3	33.5	22.9	6.7	46.1	58.9	58.7	59.3
HU	5.5	3.3	8.3	9.8	7.9	11.8	58.5	59.8	57.5
MT	11.3	2.8	24.5	16.5	10.0	36.5	59.1	59.1	58.8
NL	42.6	15.4	73.1	48.8	25.2	80.3	62.7	62.7	62.7
AT	26.0	6.7	47.2	26.6	10.4	47.2	58.5	59.3	57.8
PL	5.1	2.6	8.1	11.2	7.9	15.3	57.0	58.5	56.1
PT	8.1	5.7	10.6	20.3	16.8	24.2	59.9	59.6	60.3
RO	7.3	7.1	7.5	13.8	11.6	16.6	56.9	58.0	56.0
SI	6.0	3.5	8.7	11.2	8.4	14.8	56.6	58.3	55.2
SK	3.2	2.2	4.5	5.5	3.9	7.6	57.4	59.8	56.1
FI	9.3	4.7	14.5	16.3	13.9	18.7	61.4	61.4	61.5
SE	21.3	9.3	34.7	27.0	16.0	39.3	63.6	63.6	63.6
UK	21.8	6.6	39.6	31.2	17.0	47.6	58.3	58.0	58.6

Data source: Eurostat, Labour force survey statistics – transition from work to retirement, July 2014.

Table A2-16: Gender gap (difference between women and men) in employment rate for people aged 55-64, percentage points

MS	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Change (2004-2014), p.p.
EU-28	18.7	17.9	17.8	17.9	18.1	16.9	16.0	15.0	14.5	14.1	13.7	-5.0
BE	18.1	19.6	17.7	16.9	16.5	15.2	16.4	14.4	12.9	11.9	11.4	-6.7
BG	17.2	20.0	18.4	17.3	18.1	14.9	12.6	11.1	9.5	8.5	8.5	-8.7
CZ	27.1	28.4	27.4	26.1	27.5	24.6	22.9	21.7	21.3	21.1	21.0	-6.1
DK	15.1	12.1	12.8	12.0	13.7	13.2	9.7	8.5	10.1	9.7	11.3	-3.8
DE	16.7	16.0	15.8	16.0	15.7	15.2	14.5	13.9	13.7	12.3	11.4	-5.3
EE	-4.0	1.4	-2.0	-1.7	4.2	-1.8	-3.4	-0.6	-2.3	-2.2	2.0	6.0
IE	30.7	28.4	27.9	28.1	25.2	20.1	16.1	14.2	13.1	15.9	16.7	-14.0
EL	32.3	32.9	32.6	32.1	31.7	30.0	27.4	24.8	21.6	20.0	19.0	-13.3
ES	33.3	31.7	31.3	29.4	29.3	24.3	21.4	18.2	16.1	14.2	13.4	-19.9
FR	9.7	5.8	4.7	4.5	4.7	4.9	4.8	5.1	5.8	5.3	3.5	-6.2
HR	19.6	19.2	18.7	24.5	22.5	19.6	22.0	21.9	20.3	14.0	18.5	-1.1
IT	23.2	21.9	21.9	22.0	21.4	21.3	21.5	20.1	19.6	19.6	19.9	-3.3
CY	38.3	39.3	35.0	32.2	31.5	30.6	28.0	28.4	25.3	22.8	20.2	-18.1
LV	10.7	9.0	10.1	10.9	6.5	-1.2	-1.5	2.0	0.7	0.6	-0.1	-10.8
LT	17.4	17.6	10.3	13.2	12.8	7.7	6.6	6.9	7.4	4.9	4.5	-12.9
LU	16.1	13.4	10.9	7.0	9.4	17.1	16.4	15.7	13.1	15.9	14.8	-1.3
HU	13.3	13.9	14.6	14.3	12.4	12.4	9.2	7.4	9.7	12.7	14.4	1.1
MT	42.1	39.3	39.4	35.3	35.2	34.1	35.9	36.4	36.8	35.2	35.9	-6.2
NL	23.9	21.7	20.8	21.4	21.5	20.7	21.7	19.4	19.0	20.2	19.9	-4.0
AT	17.8	16.7	17.4	19.5	19.6	18.8	16.9	16.0	16.7	17.6	17.9	0.1
PL	15.2	16.2	19.4	22.0	23.4	22.4	21.0	20.6	20.1	20.3	20.2	5.0
PT	16.6	14.5	15.4	14.4	14.3	14.7	12.0	12.2	9.6	12.5	12.2	-4.4
RO	10.6	13.6	15.5	16.7	18.6	18.2	17.3	16.4	18.1	18.2	19.0	8.4
SI	21.6	24.6	23.5	23.1	23.6	21.6	21.0	16.8	15.7	16.6	12.8	-8.8
SK	30.6	32.2	30.9	31.3	32.5	28.8	25.3	21.1	20.0	17.6	15.9	-14.7
FI	1.9	0.1	0.5	0.1	1.3	-1.7	-1.3	-0.4	-3.1	-4.0	-4.6	-6.5
SE	4.3	5.3	5.4	5.9	6.7	6.5	7.1	6.3	6.7	6.6	5.0	0.7
UK	18.0	17.9	17.0	17.4	18.3	16.9	15.6	14.6	14.4	13.8	13.4	-4.6

Data source: own calculations based on data from Eurostat

Table A2-17: Gender gap (difference between women and men) in part-time employment (for people aged 20-64), percentage points

MS	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Change (2004-2014), p.p.
EU-28	23.2	23.6	23.7	23.7	23.5	23.5	23.6	23.6	23.7	23.8	23.5	0.3
BE	34.5	33.4	34.1	33.5	33.5	33.3	33.7	34.1	34.6	33.8	32.9	-1.7
BG	0.9	0.8	1.0	0.8	0.7	0.7	0.4	0.4	0.5	1.0	0.6	-0.3
CZ	6.2	6.4	6.4	6.2	6.2	6.4	6.8	6.6	6.4	7.5	7.0	0.7
DK	21.1	20.8	22.4	22.6	22.2	23.0	24.1	23.0	21.0	20.3	19.5	-1.6
DE	36.4	37.5	37.9	38.2	37.9	37.2	37.2	37.3	37.1	38.3	37.9	1.5
EE	3.8	4.6	5.9	6.4	5.5	6.3	7.2	8.6	8.2	6.9	5.2	1.5
IE	25.9	6.2	24.5	24.9	24.4	23.3	23.1	22.6	21.5	21.5	21.3	-4.6
EL	6.4	6.9	7.3	7.4	7.3	7.3	6.8	5.9	7.1	7.2	6.5	0.1
ES	15.2	19.0	18.3	18.1	17.9	17.6	17.4	17.0	17.5	17.5	17.9	2.6
FR	25.2	24.8	24.8	25.0	24.0	24.1	23.7	23.6	23.6	23.8	23.3	-1.9
HR	3.5	5.4	3.3	3.7	3.7	3.8	4.3	3.6	2.3	1.8	2.6	-0.8
IT	20.2	21.3	22.1	22.3	22.9	23.2	23.9	23.8	24.3	24.3	24.3	4.1
CY	9.0	10.1	8.5	7.3	7.3	7.5	6.6	6.1	6.5	7.1	6.3	-2.7
LV	5.6	4.1	3.0	2.9	3.3	2.6	3.3	3.2	4.4	3.9	4.3	-1.4
LT	3.6	3.7	4.0	3.2	3.4	2.4	2.5	3.2	3.7	3.9	4.2	0.6
LU	34.2	36.1	34.0	34.8	35.7	30.5	32.4	31.5	31.4	31.0	30.9	-3.3
HU	3.0	3.2	2.9	3.0	2.8	3.5	4.0	4.3	5.1	4.8	4.2	1.2
MT	13.5	15.8	17.0	20.5	20.8	18.9	19.2	20.0	20.4	20.0	21.7	8.2
NL	55.7	55.9	55.2	55.0	55.3	54.9	54.6	54.8	54.6	53.5	52.9	-2.8
AT	33.9	34.6	35.3	35.8	35.5	36.3	36.3	36.9	37.7	37.1	37.8	3.9
PL	5.8	6.6	6.2	6.2	6.0	6.0	6.1	5.9	6.2	6.0	6.0	0.3
PT	9.2	9.5	8.6	9.0	10.0	8.9	7.4	6.6	5.8	5.7	4.9	-4.4
RO	0.8	0.3	0.0	0.8	1.4	1.3	0.3	1.5	1.2	0.9	1.2	0.4
SI	4.0	4.0	4.4	3.5	4.2	4.5	6.0	5.2	6.0	6.3	7.0	3.0
SK	2.7	2.7	3.3	3.2	2.8	2.0	2.6	2.9	2.7	2.8	3.0	0.3
FI	9.0	9.1	9.6	9.7	9.0	9.3	9.4	9.1	9.6	9.8	9.4	0.4
SE	24.6	27.6	28.0	27.8	28.6	27.6	27.4	26.8	25.7	24.6	24.1	-0.5
UK	34.9	33.2	33.0	32.4	31.6	31.5	31.6	31.3	30.9	30.1	30.2	-4.7

Data source: own calculations based on data from Eurostat

Table A2-18: Gender pay gap[25] (difference between men and women) in hourly pay in unadjusted form in %[26]

MS	%							Change (2007-2013), p.p.
	2007	2008	2009	2010	2011	2012	2013	
EU-28	:	:	:	16.1	16.4	16.5	16.4	:
BE	10.1	10.2	10.1	10.2	10.2	10.0	9.8	-0.3
BG	12.1	12.3	13.3	13.0	13.0	14.7	13.5	1.4
CZ	23.6	26.2	25.9	21.6	22.6	22.2	22.1	-1.5
DK	17.7	17.1	16.8	15.9	16.3	16.8	16.4	-1.3
DE	22.8	22.8	22.6	22.3	22.2	22.4	21.6	-1.2
EE	30.9	27.6	26.6	27.7	27.3	30.0	29.9	-1.0
IE	17.3	12.6	12.6	13.9	11.7	14.4	:	:
EL	21.5	22.0	:	15.0	:	:	:	:
ES	18.1	16.1	16.7	16.2	17.9	19.3	19.3	1.2
FR	17.3	16.9	15.2	15.6	15.6	15.4	15.2	-2.1
HR	:	:	:	5.7	3.4	2.9	7.4	:
IT	5.1	4.9	5.5	5.3	5.8	6.7	7.3	2.2
CY	22.0	19.5	17.8	16.8	16.4	16.2	15.8	-6.2
LV	13.6	11.8	13.1	15.5	13.6	13.8	14.4	0.8
LT	22.6	21.6	15.3	14.6	11.9	12.6	13.3	-9.3
LU	10.2	9.7	9.2	8.7	8.7	8.6	8.6	-1.6
HU	16.3	17.5	17.1	17.6	18.0	20.1	18.4	2.1
MT	7.8	9.2	7.7	7.2	6.2	6.5	5.1	-2.7
NL	19.3	18.9	18.5	17.8	17.9	16.9	16.0	-3.3
AT	25.5	25.1	24.3	24.0	23.7	23.4	23.0	-2.5
PL	14.9	11.4	8.0	4.5	5.5	6.4	6.4	-8.5
PT	8.5	9.2	10.0	12.8	12.8	14.8	13.0	4.5
RO	12.5	8.5	7.4	8.8	11.0	9.7	9.1	-3.4
SI	5.0	4.1	-0.9	0.9	2.3	2.5	3.2	-1.8
SK	23.6	20.9	21.9	19.6	20.5	21.5	19.8	-3.8
FI	20.2	20.5	20.8	20.3	19.6	19.4	18.7	-1.5
SE	17.8	16.9	15.7	15.4	15.8	15.9	15.2	-2.6
UK	20.8	21.4	20.6	19.5	20.1	19.1	19.7	-1.1

Data source: own calculations based on data from Eurostat [earn_gr_gpgr2]

[25] The unadjusted Gender Pay Gap (GPG) represents the difference between average gross hourly earnings of male paid employees and of female paid employees as a percentage of average gross hourly earnings of male paid employees.

[26] NACE Rev. 2 (structure of earnings survey methodology) [earn_gr_gpgr2]

Table A2-19: Gender gap (difference between men and women) in duration of working life[27], years

MS	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Change (2004-2013)
EU-28	6.4	6.4	6.2	6.2	6.1	5.9	5.7	5.5	5.4	5.2	-1.2
BE	6.5	6.5	6.1	5.9	5.6	5.4	5.1	5.0	5.1	4.6	-1.9
BG	3.2	3.5	3.0	3.2	3.6	3.6	3.2	2.6	2.4	2.5	-0.7
CZ	6.1	6.4	6.4	6.8	7.0	6.9	6.9	6.7	6.6	6.2	0.1
DK	4.0	3.7	3.3	3.4	3.5	3.2	3.2	3.1	2.9	2.6	-1.4
DE	6.1	6.2	5.8	5.8	5.7	5.5	5.3	5.0	5.0	4.7	-1.4
EE	0.7	0.4	0.8	1.4	1.8	1.3	0.6	0.7	0.9	0.9	0.2
IE	11.5	10.8	10.6	10.0	9.8	8.6	8.2	7.9	7.8	7.8	-3.7
EL	11.5	11.1	11.0	10.9	10.8	10.0	9.5	9.0	8.2	8.1	-3.4
ES	10.8	10.5	9.7	9.1	8.5	7.3	6.5	5.8	5.2	4.8	-6.0
FR	4.7	4.4	4.3	4.1	4.0	3.8	3.8	3.8	3.9	3.7	-1.0
HR	5.8	4.9	4.5	5.1	4.8	4.2	4.2	5.0	4.6	4.3	-1.5
IT	11.7	11.5	11.3	11.3	10.9	10.7	10.6	10.3	9.9	9.5	-2.2
CY	10.4	10.8	10.4	9.3	9.2	8.3	7.6	7.5	7.5	7.3	-3.1
LV	2.5	1.9	1.6	2.1	1.3	0.7	0.0	0.6	0.3	0.4	-2.1
LT	1.1	0.6	0.1	0.1	0.4	-0.2	-0.7	-0.2	-0.5	-0.1	-1.2
LU	8.2	8.1	7.5	7.0	6.8	7.6	7.1	6.7	6.1	6.5	-1.7
HU	4.9	4.7	4.8	4.9	4.8	4.6	4.0	4.4	4.3	4.6	-0.3
MT	21.4	20.1	19.8	18.5	17.6	17.4	17.1	16.7	15.3	14.5	-6.9
NL	7.0	6.8	6.6	6.3	6.0	5.8	5.6	5.3	5.2	5.4	-1.6
AT	5.9	6.2	6.1	6.3	5.9	5.2	5.3	5.4	5.2	4.8	-1.1
PL	4.8	4.9	5.3	5.3	5.4	5.4	5.1	5.2	5.1	5.1	0.3
PT	5.8	4.9	4.9	4.7	4.5	4.0	3.5	4.2	3.8	3.4	-2.4
RO	4.4	4.8	4.7	4.9	5.2	5.2	5.3	4.7	5.3	5.4	1.0
SI	3.4	3.8	3.3	3.5	3.0	3.1	3.3	3.0	2.8	3.1	-0.3
SK	5.4	6.1	6.1	5.9	5.7	6.1	5.7	6.0	5.9	5.6	0.2
FI	1.6	1.3	1.2	1.2	1.5	0.7	1.3	1.6	1.3	1.1	-0.5
SE	2.2	2.5	2.6	2.5	2.6	2.6	3.2	2.7	2.5	2.5	0.3
UK	6.4	6.5	6.3	6.5	6.5	6.1	6.0	5.8	5.9	5.6	-0.8

Data source: own calculations based on data from Eurostat

[27] In unadjusted form. Industry, construction and services (except public administration, defense, compulsory social security). Data source: Eurostat [earn_gr_gpgr2]

Table A2-20: Gender pension gap, 2012

MS	Gender Gap in Pensions (%)			Gender Gap in Pensions (%): pensioners aged 65-79 years		Gender Gap in pension coverage rate
	Pensioners aged 65-79 years	*Pensioners aged 65+*	*Elderly aged 65-79 years*	*Median pension*	*Mean pension*	*Persons aged 65-79*
EU-27	40.2	38.5	44.3	44.9	40.2	6.8
BE	27.0	27.5	40.9	20.6	27.0	18.8
BG	36.2	35.3	36.3	36.8	36.2	0.2
CZ	14.3	13.7	13.8	11.2	14.3	-0.7
DK	6.5	9.2	6.5	1.2	6.5	3.9
DE	44.6	45.1	46.8	44.9	44.6	3.9
EE	3.6	5.2	3.6	0.9	3.6	0.0
IE	41.0	38.2	52.5	29.0	41.0	18.5
EL	22.6	25.1	32.7	22.8	22.6	12.3
ES	33.2	32.2	52.1	34.8	33.2	27.7
FR	37.6	36.8	38.9	32.7	37.6	2.1
HR	24.2	25.2	23.5	33.3	24.2	-0.8
IT	35.7	31.3	45.7	40.5	35.7	15.4
CY	37.7	35.2	37.3	35.6	37.7	-0.7
LV	15.7	16.2	15.2	10.5	15.7	-0.6
LT	12.1	12.3	10.8	10.9	12.1	-1.4
LU	45.5	43.6	47.5	50.4	45.5	3.6
HU	15.3	15.7	15.6	12.3	15.3	0.3
MT	18.5	18.8	48.8	22.6	18.5	36.5
NL	46.0	40.0	45.9	48.4	46.0	-0.2
AT	41.8	38.9	49.1	45.6	41.8	12.1
PL	24.3	24.6	25.3	25.9	24.3	1.4
PT	34.5	32.0	37.3	31.9	34.5	4.2
RO	28.9	30.7	33.9	30.1	28.9	6.9
SI	22.3	25.6	15.3	23.2	22.3	-7.6
SK	8.9	7.2	8.8	5.0	8.9	-0.1
FI	26.1	26.5	25.6	25.0	26.1	-0.7
SE	31.1	30.1	31.0	25.4	31.1	-0.1
UK	42.3	40.9	42.2	42.7	42.3	-0.1

Data source: ENEGE

Table A3-1: Aggregate replacement ratio (in 2005, 2008 and 2013), Benefit ratio (2013) and Gross aggregate replacement rate (2013)

Member State	Aggregate replacement ratio (1)									Benefit ratio (2)	Gross aggregate replacement rate (2)
	2005			2008			2013			2013	2013
	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Total
EU-28	:	:	:	:	:	:	0.56	0.58	0.54	46.9*	47.5*
BE	0.42	0.45	0.47	0.45	0.44	0.47	0.47	0.47	0.49	42.5	:
BG	0.60	0.64	0.59	0.34	0.37	0.36	0.39	0.46	0.37	34.2	29.5
CZ	0.51	0.49	0.58	0.51	0.48	0.56	0.56	0.56	0.59	42.8	32.2
DK	0.35	0.32	0.39	0.41	0.38	0.44	0.44	0.42	0.46	42.5	39.7
DE	0.46	0.47	0.51	0.44	0.46	0.47	0.47	0.46	0.49	44.6	42.5
EE	0.47	0.40	0.54	0.45	0.37	0.54	0.50	0.40	0.58	30.4	40.1
IE	0.46	0.40	0.51	0.49	0.46	0.55	0.00	0.00	0.00	27.9	32.1
EL	0.49	0.56	0.47	0.41	0.48	0.44	0.60	0.60	0.67	65.6	38.7
ES	0.57	0.62	0.62	0.49	0.54	0.48	0.60	0.62	0.50	59.7	79.0
FR	0.57	0.62	0.52	0.65	0.28	0.91	0.64	0.64	0.62	51.3	50.6
HR	:	:	:	0.47	0.56	0.43	0.37	0.39	0.37	30.8	27.9
IT	0.58	0.64	0.49	0.51	0.58	0.39	0.62	0.65	0.51	58.8	:
CY	0.29	0.34	0.34	0.33	0.38	0.37	0.40	0.45	0.39	64.4	:
LV	0.61	0.55	0.69	0.30	0.25	0.34	0.47	0.46	0.51	27.7	33.4
LT	0.47	0.50	0.44	0.44	0.45	0.46	0.48	0.48	0.51	35.1	:
LU	0.63	0.58	0.58	0.58	0.54	0.59	0.78	0.76	0.91	51.3	:
HU	0.61	0.60	0.64	0.61	0.61	0.61	0.61	0.66	0.58	40.8	33.0
MT	0.47	0.47	0.38	0.41	0.43	0.39	0.56	0.57	0.45	48.3	49.4
NL	0.43	0.48	0.52	0.43	0.49	0.51	0.49	0.55	0.46	35.9	29.8
AT	0.69	0.70	0.69	0.61	0.61	0.56	0.59	0.63	0.57	41.2	51.0
PL	0.58	0.66	0.57	0.56	0.65	0.53	0.60	0.68	0.60	47.9	53.0
PT	0.60	0.58	0.64	0.51	0.66	0.49	0.59	0.67	0.59	61.8	:
RO	:	:	:	0.49	0.54	0.45	0.65	0.72	0.65	37.0	:
SI	0.42	0.52	0.38	0.44	0.50	0.40	0.46	0.50	0.43	33.8	:
SK	0.55	0.53	0.56	0.54	0.54	0.55	0.61	0.59	0.66	45.7	51.7
FI	0.46	0.46	0.46	0.49	0.48	0.49	0.49	0.50	0.49	52.1	:
SE	0.60	0.62	0.56	0.62	0.64	0.58	0.58	0.62	0.54	42.1	35.6
UK	0.42	0.42	0.43	0.43	0.45	0.44	0.53	0.54	0.53	36.4	:

*Data sources: (1) Eurostat; (2) The 2015 Ageing Report. Note: Ratio of income from pensions of persons aged between 65 and 74 years and income from work of persons aged between 50 and 59 years; : - not available; * - weighted average*

Table A3-2: Current Theoretical Replacement Rates (Base case I and Base case II), 2013

MS	Base case I: 40 years up to age 65												Base case II: 40 years up to the SPA											
	Low				Average				High				Low				Average				High			
	Net		Gross		Net		Gross		Net		Gross		Net		Gross		Net		Gross		Net		Gross	
	M	W	M	W	M	W	M	W	M	W	M	W	M	W	M	W	M	W	M	W	M	W	M	W
BE	93.3	93.3	63.1	63.1	78.6	78.6	54.4	54.4	58.7	58.7	37.1	37.1	93.3	93.3	63.1	63.1	78.6	78.6	54.4	54.4	58.7	58.7	37.1	37.1
BG	62.9	70.0	49.3	54.9	62.3	69.3	48.5	54.3	54.0	61.3	43.2	48.0	57.9	57.9	45.4	45.4	57.3	57.3	44.9	44.9	50.6	50.6	39.7	39.7
CZ	78.5	90.6	64.7	74.7	62.2	72.1	48.8	56.5	40.7	47.5	30.3	35.3	70.4	70.4	58.0	58.0	55.6	55.6	43.5	43.5	36.2	36.2	26.9	26.9
DK	94.1	94.1	69.6	69.6	68.4	68.4	47.7	47.7	40.8	40.8	26.3	26.3	94.1	94.1	69.6	69.6	68.4	68.4	47.7	47.7	40.8	40.8	26.3	26.3
DE	51.6	51.6	39.9	39.9	57.0	57.0	39.9	39.9	48.9	48.9	29.9	29.9	51.9	51.9	40.1	40.1	57.3	57.3	40.1	40.1	49.2	49.2	30.1	30.1
EE	85.4	107.2	65.2	83.8	61.9	77.1	46.1	58.4	36.1	44.2	26.4	32.4	70.2	88.2	53.6	68.9	50.9	63.4	37.9	48.0	29.7	36.3	21.6	26.7
IE	100.6	100.6	91.5	91.5	83.1	83.1	72.9	72.9	62.5	62.5	45.5	45.5	100.6	100.6	91.5	91.5	83.1	83.1	72.9	72.9	62.5	62.5	45.5	45.5
EL	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
ES	97.4	97.4	88.2	88.2	96.2	96.2	88.2	88.2	86.3	86.3	76.8	76.8	97.4	97.4	88.2	88.2	96.2	96.2	88.2	88.2	86.3	86.3	76.8	76.8
FR	80.2	80.2	67.9	67.9	80.2	80.2	67.9	67.9	56.2	56.2	48.0	48.0	80.2	80.2	67.9	67.9	80.2	80.2	67.9	67.9	56.2	56.2	48.0	48.0
HR	59.5	64.1	44.6	48.0	55.5	59.7	38.5	41.5	45.1	48.3	28.9	31.1	59.5	59.5	44.6	44.6	55.5	55.5	38.5	38.5	45.1	45.1	28.9	28.9
IT	80.8	80.8	70.8	70.8	80.2	80.2	70.8	70.8	63.9	63.9	52.8	52.8	80.9	80.6	70.9	70.6	80.3	80.0	70.9	70.6	64.0	63.7	52.9	52.6
CY	64.0	64.0	60.0	60.0	58.0	58.0	52.0	52.0	50.0	50.0	40.0	40.0	64.0	64.0	60.0	60.0	58.0	58.0	52.0	52.0	50.0	50.0	40.0	40.0
LV	95.0	95.0	69.2	69.2	71.9	71.9	52.9	52.9	57.2	57.2	44.8	44.8	85.9	85.9	61.0	61.0	65.0	65.0	46.6	46.6	51.2	51.2	39.5	39.5
LT	77.5	88.3	61.8	70.3	61.6	70.0	47.6	54.2	39.6	44.9	30.0	34.1	76.2	76.0	60.8	60.7	52.6	52.4	40.7	40.6	33.9	33.7	25.7	25.6
LU	109.3	109.3	98.7	98.7	105.4	105.4	92.4	92.4	75.7	75.7	65.2	65.2	106.0	106.0	95.1	95.1	102.5	102.5	88.8	88.8	73.3	73.3	62.6	62.6
HU	107.0	107.0	70.1	70.1	100.8	100.8	65.6	65.6	80.3	80.3	50.7	50.7	90.7	90.7	59.4	59.4	85.4	85.4	55.6	55.6	68.1	68.1	43.0	43.0
MT	78.5	78.5	66.9	66.9	79.0	79.0	65.8	65.8	44.8	44.8	34.1	34.1	78.5	78.5	66.9	66.9	79.0	79.0	65.8	65.8	44.8	44.8	34.1	34.1
NL	115.0	115.0	105.0	105.0	114.0	114.0	98.0	98.0	82.0	82.0	69.0	69.0	115.0	115.0	105.0	105.0	114.0	114.0	98.0	98.0	82.0	82.0	69.0	69.0
AT	84.6	94.0	70.2	80.3	85.1	93.7	70.2	80.2	77.2	84.9	64.0	72.0	84.6	84.6	70.2	70.2	85.1	85.1	70.2	70.2	77.2	77.2	64.0	64.0
PL	85.8	85.8	74.6	74.6	74.2	74.2	64.1	64.1	59.8	59.8	51.5	51.5	85.8	83.9	74.6	72.8	74.2	73.1	64.1	63.1	59.8	54.2	51.5	46.6
PT	90.0	90.0	74.8	74.8	92.3	92.3	74.7	74.7	85.0	85.0	68.8	68.8	90.0	90.0	74.7	74.7	92.3	92.3	74.7	74.7	85.0	85.0	68.8	68.8
RO	84.1	72.3	62.7	51.8	73.1	62.1	55.4	45.9	61.4	51.2	47.5	38.6	84.1	72.3	62.7	51.8	73.1	62.1	55.4	45.9	61.4	51.2	47.5	38.6
SI	66.4	69.8	45.7	48.1	57.3	60.3	39.4	41.5	57.3	60.3	39.4	41.5	66.4	69.8	45.7	48.1	57.3	60.3	39.4	41.5	57.3	60.3	39.4	41.5
SK	78.9	80.9	63.9	65.6	76.0	77.9	58.8	60.3	62.0	63.6	45.9	47.1	66.9	66.9	54.2	54.2	64.4	64.4	49.8	49.8	52.6	52.6	38.9	38.9
FI	81.3	81.3	73.2	73.2	69.5	69.5	62.2	62.2	62.6	62.6	54.6	54.6	81.3	81.3	73.2	73.2	69.5	69.5	62.2	62.2	62.6	62.6	54.6	54.6
SE	91.2	91.2	77.8	77.8	69.3	69.3	69.4	69.4	74.6	74.6	68.1	68.1	91.2	91.2	77.8	77.8	69.3	69.3	69.4	69.4	74.6	74.6	68.1	68.1
UK	92.7	101.8	76.0	93.9	83.4	88.0	66.4	80.2	57.9	59.8	43.4	51.2	92.7	83.3	76.0	67.4	83.4	73.4	66.4	57.8	57.9	50.8	43.4	37.8

Data source: Member States; Note: M – men, W – women; : - not available (not provided by the Member State)

Table A3-3: Current Theoretical Replacement Rates (cases of "Increased SPA" and "AWG career length"), 2013

MS	Increased SPA: from age 25 to SPA								AWG career length case							
	Low				Average				Low				Average			
	Net		Gross		Net		Gross		Net		Gross		Net		Gross	
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
BE	93.3	93.3	63.1	63.1	78.6	78.6	54.4	54.4	84.0	80.0	56.3	53.5	73.0	71.9	47.7	46.5
BG	55.9	50.6	43.8	40.4	55.3	51.1	43.4	40.0	59.8	58.4	46.9	45.8	59.2	57.8	46.4	45.3
CZ	66.3	62.3	54.7	51.4	52.2	48.9	40.9	38.4	73.1	73.1	60.3	60.3	57.8	57.8	45.3	45.3
DK	94.1	94.1	69.6	69.6	68.4	68.4	47.7	47.7	94.1	107.8	69.6	87.2	68.4	75.7	47.7	58.6
DE	52.1	52.1	40.3	40.3	57.6	57.6	40.3	40.3	56.8	50.1	43.9	38.8	62.8	55.4	43.9	38.8
EE	68.6	85.6	52.4	67.0	49.2	61.0	36.7	46.2	70.2	89.6	53.6	70.1	50.9	64.2	37.9	49.1
IE	100.6	100.6	91.5	91.5	83.1	83.1	72.9	72.9	100.0	100.0	91.5	91.5	82.6	82.6	72.9	72.9
EL	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
ES	97.4	97.4	88.2	88.2	96.2	96.2	88.2	88.2	86.4	91.4	74.3	82.0	81.7	89.1	74.3	82.0
FR	80.2	80.2	67.9	67.9	80.2	80.2	67.9	67.9	72.9	63.6	61.6	53.9	74.1	63.6	62.7	53.9
HR	59.5	53.2	44.6	39.8	55.5	49.6	38.5	34.4	55.9	55.7	41.9	41.7	52.1	51.9	36.2	36.1
IT	84.5	76.3	74.5	66.2	83.9	75.7	74.5	66.2	72.6	69.4	63.1	59.8	72.1	68.9	63.1	59.8
CY	64.0	64.0	60.0	60.0	58.0	58.0	52.0	52.0	64.0	67.0	60.0	62.0	58.0	55.0	52.0	51.0
LV	78.2	78.2	55.5	55.5	61.1	61.1	43.0	43.0	98.3	94.0	72.3	68.3	73.8	70.9	54.6	52.0
LT	62.8	59.6	50.1	47.5	49.9	47.3	38.6	36.6	67.0	68.9	53.4	55.0	53.3	54.7	41.2	42.4
LU	96.4	96.4	84.8	84.8	93.5	93.5	78.5	78.5	102.6	100.4	91.3	89.0	99.3	97.3	85.0	82.8
HU	85.6	85.6	56.1	56.1	80.6	80.6	52.5	52.5	96.1	90.7	63.0	59.4	90.6	85.5	58.9	55.6
MT	78.5	78.5	66.9	66.9	79.0	79.0	65.8	65.8	78.5	78.9	66.9	67.3	79.0	79.0	65.8	66.2
NL	115.0	115.0	105.0	105.0	114.0	114.0	98.0	98.0	115.0	115.0	105.0	105.0	114.0	114.0	98.0	98.0
AT	84.6	74.0	70.2	61.4	85.1	77.1	70.2	61.4	81.6	86.7	67.7	72.0	82.9	86.7	67.7	72.1
PL	87.0	76.7	75.7	66.4	75.5	66.6	65.2	57.4	93.6	75.7	81.5	65.5	82.3	65.7	71.3	56.6
PT	90.0	90.0	74.8	74.8	92.3	92.3	74.7	74.7	86.2	83.6	71.3	71.4	87.4	86.4	71.3	71.4
RO	81.2	67.4	62.2	56.3	71.3	59.5	52.4	41.2	78.7	66.2	58.3	53.6	68.1	57.1	50.4	40.9
SI	64.2	64.8	44.2	44.6	55.4	55.9	38.1	38.5	63.5	64.0	43.7	44.1	54.8	55.3	37.7	38.1
SK	61.9	61.0	50.1	49.4	59.6	58.8	46.1	45.4	65.2	50.4	52.8	40.9	62.8	48.6	48.6	37.6
FI	81.3	81.3	73.2	73.2	69.5	69.5	62.2	62.2	77.3	76.6	68.7	67.4	65.5	63.8	58.2	56.4
SE	91.2	91.2	77.8	77.8	69.3	69.3	69.4	69.4	92.4	90.6	82.6	78.0	75.1	70.5	76.2	70.7
UK	92.7	81.2	76.0	66.7	83.4	71.4	66.4	57.2	93.1	96.8	76.4	88.8	84.0	83.7	66.9	75.9

Data source: Member States; Note: M – men, W – women; : - not available (not provided by the Member State)

Table A3-4: Estimates of pension wealth, 2012

MS	Gender gap in pensions	Age at which first pension is drawn		Life expectancy at 65		Length of retirement		Gender gap in pension wealth		
								Discount rate:		
		Men	*Women*	*Men*	*Women*	*Men*	*Women*	*2 %*	*3 %*	*5%*
BE	27.0	60.9	60.6	17.6	21.1	21.7	25.5	17.1	18.3	20.4
BG	36.2	58.1	57.0	14.0	17.3	20.9	25.3	25.8	27.1	29.2
CZ	14.3	60.8	57.7	15.7	19.2	19.9	26.5	-7.4	-4.6	0.0
DK	6.5	62.2	61.7	18.0	21.0	20.8	24.3	-5.7	-4.3	-1.8
DE	44.6	61.2	61.0	17.5	20.2	21.3	24.2	38.7	39.4	40.6
EE	3.6	60.7	58.7	14.9	20.1	19.2	26.4	-24.1	-20.6	-14.8
IE	41.0	60.9	60.8	18.1	21.0	22.2	25.2	34.8	35.6	36.9
EL	22.6	58.0	57.5	18.0	20.8	25.0	28.3	15.0	16.0	17.8
ES	33.2	61.7	61.9	18.6	22.5	21.9	25.6	24.5	25.6	27.4
FR	37.6	58.6	59.3	18.9	22.9	25.3	28.6	31.5	32.4	33.8
HR	24.2	60.1	56.0	15.0	18.7	19.9	27.7	1.8	4.7	9.6
IT	35.7	57.8	58.4	18.4	22.0	25.6	28.6	30.1	30.9	32.2
CY	37.7	61.2	61.9	18.3	20.8	22.1	23.9	33.8	34.2	35.0
LV	15.7	60.5	58.9	13.8	18.4	18.3	24.5	-6.6	-3.9	0.5
LT	12.1	60.6	58.9	14.3	19.2	18.7	25.3	-12.0	-9.1	-4.2
LU	45.5	58.7	59.3	18.6	22.0	24.9	27.7	40.9	41.5	42.6
HU	15.3	59.8	57.5	14.5	18.1	19.7	25.6	-4.3	-1.9	2.2
MT	18.5	59.1	58.8	18.1	21.3	24.0	27.5	9.5	10.8	12.8
NL	46.0	62.7	62.7	18.0	20.9	20.3	23.2	39.9	40.6	41.8
AT	41.8	59.3	57.8	17.9	21.2	23.6	28.4	33.0	34.2	36.2
PL	24.3	58.5	56.1	15.4	19.6	21.9	28.5	7.2	9.5	13.3
PT	34.5	59.6	60.3	17.6	21.2	23.0	25.9	28.1	29.0	30.3
RO	28.9	58.0	56.0	14.5	17.7	21.5	26.7	15.8	17.5	20.3
SI	22.3	58.3	55.2	17.1	20.9	23.8	30.7	5.8	8.2	12.1
SK	8.9	59.8	56.1	14.7	18.4	19.9	27.3	-16.8	-13.5	-7.9
FI	26.1	61.4	61.5	17.8	21.4	21.4	24.9	16.8	17.9	19.8
SE	31.1	63.6	63.6	18.6	21.1	20.0	22.5	24.2	25.0	26.3
UK	42.3	58.0	58.6	18.4	20.8	25.4	27.2	39.2	39.6	40.3

Data sources: own calculations, ENEGE, Eurostat

Table A5-1: Prospective Theoretical Replacement Rates (Base case I and Base case II), 2053

MS	Base case I: 40 years up to age 65												Base case II: 40 years up to the SPA											
	Low				Average				High				Low				Average				High			
	Net		Gross		Net		Gross		Net		Gross		Net		Gross		Net		Gross		Net		Gross	
	M	W	M	W	M	W	M	W	M	W	M	W	M	W	M	W	M	W	M	W	M	W	M	W
BE	82.7	82.7	86.5	86.5	74.7	74.7	49.5	49.5	54.9	54.9	33.6	33.6	82.7	82.7	56.5	56.5	74.7	74.7	49.5	49.5	54.9	54.9	33.6	33.6
BG	83.3	90.8	62.5	68.1	83.3	90.8	62.5	68.1	38.1	37.1	38.2	37.2	83.3	78.7	62.5	59.9	83.3	78.7	62.5	59.9	38.1	36.2	38.2	36.3
CZ	64.0	64.0	50.9	50.9	50.9	50.9	38.3	38.3	31.1	31.1	22.4	22.4	72.8	72.8	57.9	57.9	58.1	58.1	43.8	43.8	35.6	35.6	25.7	25.7
DK	:	:	:	:	:	:	:	:	:	:	:	:	95.3	95.3	81.6	81.6	73.3	73.3	63.5	63.5	73.3	73.3	60.2	60.2
DE	66.7	66.7	49.5	49.5	67.6	67.6	49.5	49.5	50.7	50.7	36.9	36.9	74.3	74.3	56.4	56.4	67.3	67.3	49.2	49.2	55.5	55.5	36.7	36.7
EE	64.7	64.7	52.1	52.1	55.9	55.9	46.7	46.7	37.0	37.0	31.6	31.6	64.7	64.7	52.1	52.1	55.9	55.9	46.7	46.7	36.9	36.9	31.6	31.6
IE	34.3	34.3	29.9	29.9	38.4	38.4	29.9	29.9	41.5	41.5	20.0	20.0	82.2	82.2	78.0	78.0	68.7	68.7	62.7	62.7	65.0	65.0	38.5	38.5
EL	51.4	51.4	56.2	56.2	47.0	47.0	47.2	47.2	51.4	51.4	56.2	56.2	39.2	39.2	38.7	38.7	43.0	43.0	46.1	46.1	29.0	29.0	26.3	26.3
ES	87.8	87.8	79.5	79.5	86.8	86.8	79.5	79.5	75.7	75.7	67.1	67.1	87.8	87.8	79.5	79.5	86.8	86.8	79.5	79.5	75.7	75.7	67.1	67.1
FR	59.8	59.8	50.4	50.4	59.8	59.8	50.4	50.4	43.0	43.0	36.6	36.6	66.0	66.0	55.6	55.6	66.0	66.0	55.6	55.6	47.3	47.3	40.3	40.3
HR	49.1	49.1	36.8	36.8	40.2	40.2	27.9	27.9	32.6	32.6	20.9	20.9	50.8	50.8	38.0	38.0	41.7	41.7	29.0	29.0	33.8	33.8	21.6	21.6
IT	70.8	70.8	60.7	60.7	70.2	70.2	60.7	60.7	79.2	79.2	69.1	69.1	82.9	82.9	73.0	73.0	82.3	82.3	73.0	73.0	99.2	99.2	90.2	90.2
CY	:	:	:	:	:	:	:	:	:	:	:	:	70.0	70.0	63.0	63.0	70.0	70.0	61.0	61.0	59.0	59.0	47.0	47.0
LV	51.7	51.7	43.9	43.9	51.2	51.2	43.9	43.9	38.2	38.2	32.8	32.8	51.7	51.7	43.9	43.9	51.2	51.2	43.9	43.9	38.2	38.2	32.8	32.8
LT	86.4	86.4	67.7	67.7	71.3	71.3	53.9	53.9	47.2	47.2	34.9	34.9	86.4	86.4	67.7	67.7	71.3	71.3	53.9	53.9	47.2	47.2	34.9	34.9
LU	101.3	101.3	90.9	90.9	95.3	95.3	83.6	83.6	72.4	72.4	59.2	59.2	96.7	96.7	85.8	85.8	91.1	91.1	78.6	78.6	69.0	69.0	55.4	55.4
HU	81.9	81.9	53.7	53.7	81.9	81.9	53.7	53.7	61.4	61.4	40.2	40.2	81.9	81.9	53.7	53.7	81.9	81.9	53.7	53.7	61.4	61.4	40.2	40.2
MT	82.4	82.4	70.5	70.5	73.8	73.8	60.8	60.8	38.6	38.6	30.4	30.4	82.4	82.4	70.5	70.5	73.8	73.8	60.8	60.8	38.6	38.6	30.4	30.4
NL	21.3	21.3	25.7	25.7	47.6	47.6	42.8	42.8	37.2	37.2	40.4	40.4	92.2	92.2	94.0	94.0	90.6	90.6	87.9	87.9	55.1	55.1	62.9	62.9
AT	85.5	85.5	71.2	71.2	86.1	86.1	71.2	71.2	67.1	67.1	53.4	53.4	85.5	85.5	71.2	71.2	86.1	86.1	71.2	71.2	67.1	67.1	53.4	53.4
PL	38.1	38.1	31.8	31.8	37.7	37.7	31.8	31.8	29.0	29.0	24.5	24.5	41.1	41.1	34.4	34.4	40.7	40.7	34.4	34.4	32.2	32.2	27.4	27.4
PT	64.8	64.8	52.6	52.6	66.5	66.5	52.1	52.1	51.3	51.3	36.2	36.2	77.6	77.6	64.1	64.1	79.5	79.5	63.5	63.5	60.8	60.8	44.8	44.8
RO	43.6	46.6	33.8	36.1	41.1	43.9	31.8	34.0	16.7	16.7	17.4	17.4	43.6	41.8	33.8	32.4	41.1	40.1	31.8	31.0	21.3	20.8	17.1	16.6
SI	61.7	65.0	41.1	43.3	60.9	63.6	38.7	40.7	39.9	41.7	30.4	32.0	61.7	65.0	41.1	43.3	60.9	63.6	38.7	40.7	39.9	39.0	30.4	29.7
SK	62.4	62.4	51.2	51.2	59.5	59.5	46.7	46.7	49.0	49.0	27.6	27.6	69.4	69.4	57.0	57.0	66.1	66.1	51.8	51.8	54.0	54.0	30.4	30.4
FI	62.5	62.5	52.5	52.5	59.1	59.1	50.8	50.8	49.8	49.8	39.9	39.9	62.5	62.5	52.5	52.5	59.1	59.1	50.8	50.8	49.8	49.8	39.9	39.9
SE	68.9	68.9	65.1	65.1	55.3	55.3	55.1	55.1	50.9	50.9	45.4	45.4	68.9	68.9	65.1	65.1	55.3	55.3	55.1	55.1	50.9	50.9	45.4	45.4
UK	33.6	33.6	26.8	26.8	35.9	35.9	26.8	26.8	27.8	27.8	18.9	18.9	90.6	90.6	74.9	74.9	76.1	76.1	60.0	60.0	49.4	49.4	36.2	36.2

Data source: Member States (BE, DK, ES, FR, HR, IT, CY, LT, HU, MT, AT, PL, FI, SE, UK) and the OECD; Note: M – men, W – women; : - not available

Table A5-2: Prospective Theoretical Replacement Rates (cases of "Increased SPA" and "AWG career length"), 2053

MS	Increased SPA: from age 25 to SPA								AWG career length case							
	Low				Average				Low				Average			
	Net		Gross		Net		Gross		Net		Gross		Net		Gross	
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
BE	82.7	82.7	56.5	56.5	74.7	74.7	49.5	49.5	p.n.a.	p.n.a.	p.n.a.	p.n.a.	p.n.a.	p.n.a.	p.n.a.	p.n.a.
BG	83.3	75.7	62.5	56.7	83.3	75.7	62.5	56.7	85.7	75.7	64.3	56.7	85.7	75.7	64.3	56.7
CZ	76.9	76.9	61.1	61.1	61.4	61.4	46.3	46.3	72.6	72.6	57.7	57.7	57.9	57.9	43.7	43.7
DK	101.9	101.9	89.9	89.9	81.7	81.7	71.4	71.4	102.7	100.0	90.8	88.0	77.3	74.6	67.3	64.6
DE	76.4	76.4	57.3	57.3	74.4	74.4	56.1	56.1	77.4	72.0	58.2	53.4	76.6	71.8	58.2	53.4
EE	64.7	64.7	52.1	52.1	55.9	55.9	46.7	46.7	68.4	66.6	55.8	54.0	59.7	57.8	50.5	48.6
IE	84.2	84.2	81.2	81.2	71.4	71.4	65.8	65.8	40.0	38.9	34.8	33.9	44.6	43.4	34.8	33.9
EL	51.4	51.4	56.2	56.2	47.0	47.0	47.2	47.2	53.2	52.4	58.3	57.4	49.7	48.6	50.0	48.9
ES	87.8	87.8	79.5	79.5	86.8	86.8	79.5	79.5	86.0	85.5	74.0	76.8	81.3	83.4	74.0	76.8
FR	69.0	69.0	58.1	58.1	69.0	69.0	58.1	58.1	65.4	56.4	55.1	47.5	65.4	56.4	55.1	47.5
HR	52.9	52.9	39.6	39.6	43.5	43.5	30.2	30.2	48.0	43.5	36.0	32.6	39.2	35.8	27.2	24.8
IT	89.6	89.6	80.1	80.1	89.3	89.3	80.1	80.1	81.6	77.4	69.4	67.4	78.7	76.8	69.4	67.4
CY	73.0	73.0	66.0	66.0	75.0	75.0	66.0	66.0	69.0	68.0	62.0	61.0	71.0	68.0	62.0	61.0
LV	51.7	51.7	43.9	43.9	51.2	51.2	43.9	43.9	56.2	53.9	47.9	45.9	55.7	53.5	47.9	45.9
LT	86.4	86.4	67.7	67.7	71.3	71.3	53.9	53.9	89.7	82.1	70.3	64.3	74.3	67.8	56.0	51.2
LU	88.0	88.0	76.6	76.6	83.7	83.7	70.3	70.3	93.7	92.7	82.7	81.6	88.7	87.9	75.8	74.9
HU	81.9	81.9	53.7	53.7	81.9	81.9	53.7	53.7	87.3	80.4	57.2	52.7	87.3	80.4	57.2	52.7
MT	82.4	82.4	70.5	70.5	73.8	73.8	60.8	60.8	80.9	78.0	68.7	66.3	72.1	69.9	59.3	57.2
NL	93.3	93.3	95.3	95.3	92.5	92.5	90.0	90.0	97.9	24.3	100.9	28.3	101.1	51.8	99.3	47.0
AT	85.5	85.5	71.2	71.2	86.1	86.1	71.2	71.2	88.4	80.1	73.8	66.4	88.2	81.7	73.8	66.4
PL	43.0	43.0	36.2	36.2	43.4	43.4	36.8	36.8	48.2	41.2	40.9	34.6	47.9	40.8	40.9	34.6
PT	82.0	82.0	68.3	68.3	84.2	84.2	67.6	67.6	80.6	74.0	67.0	60.1	82.7	75.0	66.3	59.5
RO	43.6	40.8	33.8	31.6	41.1	39.1	31.8	30.2	43.6	40.8	33.5	31.3	41.1	39.1	31.5	30.0
SI	61.7	65.0	41.1	43.3	60.9	63.6	38.7	40.7	60.7	63.9	40.5	42.6	60.1	62.8	38.1	40.1
SK	73.1	73.1	60.3	60.3	69.6	69.6	54.6	54.6	65.9	60.7	54.4	50.1	63.0	57.9	49.6	45.6
FI	62.5	62.5	52.5	52.5	59.1	59.1	50.8	50.8	61.0	61.1	50.5	49.8	58.6	57.1	50.2	48.5
SE	68.9	68.9	65.1	65.1	55.3	55.3	55.1	55.1	69.4	76.0	69.2	65.7	59.0	55.9	59.2	55.9
UK	94.7	94.7	78.8	78.8	80.4	80.4	63.8	63.8	36.2	36.2	29.0	29.0	38.8	38.8	29.0	29.0

Data source: Member States (BE, DK, ES, FR, HR, IT, CY, LT, HU, MT, AT, PL, FI, SE, UK) and the OECD; Note: p.n.a. – pension not available

Table A5-3: Prospective Theoretical Replacement Rates ("Longer career I: from age 25 to 67" and "Shorter career I: from age 25 to 63"), 2053

MS	Longer career I: from age 25 to 67								Shorter career I: from age 25 to 63							
	Low				Average				Low				Average			
	Net		Gross		Net		Gross		Net		Gross		Net		Gross	
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
BE	88.5	88.5	60.4	60.4	77.1	77.1	52.4	52.4	p.n.a.	p.n.a.	p.n.a.	p.n.a.	p.n.a.	p.n.a.	p.n.a.	p.n.a.
BG	96.9	106.2	72.7	79.7	96.9	106.2	72.7	79.7	p.n.a.	73.8	p.n.a.	55.3	p.n.a.	73.8	p.n.a.	55.3
CZ	73.2	73.2	58.2	58.2	58.4	58.4	44.0	44.0	54.7	54.7	43.5	43.5	43.2	43.2	32.6	32.6
DK	p.n.a.	p.n.a.	p.n.a.	p.n.a.	p.n.a.	p.n.a.	p.n.a.	p.n.a.	p.n.a.	p.n.a.	p.n.a.	p.n.a.	p.n.a.	p.n.a.	p.n.a.	p.n.a.
DE	75.7	75.7	56.7	56.7	74.4	74.4	56.1	56.1	58.7	58.7	43.6	43.6	61.0	61.0	43.6	43.6
EE	79.4	79.4	67.1	67.1	69.7	69.7	60.5	60.5	55.6	55.6	44.8	44.8	49.1	49.1	39.9	39.9
IE	38.9	38.9	33.9	33.9	43.4	43.4	33.9	33.9	30.4	30.4	26.4	26.4	34.0	34.0	26.4	26.4
EL	52.1	52.1	48.3	48.3	48.1	48.1	48.3	48.3	47.7	47.7	44.0	44.0	43.8	43.8	44.0	44.0
ES	90.7	90.7	85.9	85.9	90.9	90.9	85.9	85.9	79.7	79.7	67.6	67.6	74.7	74.7	67.6	67.6
FR	69.0	69.0	58.1	58.1	69.0	69.0	58.1	58.1	51.0	51.0	43.0	43.0	51.0	51.0	43.0	43.0
HR	52.9	52.9	39.6	39.6	43.5	43.5	30.2	30.2	42.9	42.9	32.1	32.1	35.2	35.2	24.4	24.4
IT	77.1	77.1	67.0	67.0	76.4	76.4	67.0	67.0	66.6	66.6	56.1	56.1	66.1	66.1	56.1	56.1
CY	65.0	65.0	59.0	59.0	65.0	65.0	57.0	57.0	p.n.a.	p.n.a.	p.n.a.	p.n.a.	p.n.a.	p.n.a.	p.n.a.	p.n.a.
LV	57.8	57.8	49.3	49.3	57.4	57.4	49.3	49.3	49.0	49.0	41.5	41.5	48.5	48.5	41.5	41.5
LT	103.1	103.1	80.7	80.7	84.9	84.9	64.1	64.1	75.3	75.3	59.0	59.0	62.1	62.1	46.9	46.9
LU	101.3	101.3	90.9	90.9	95.3	95.3	83.6	83.6	96.4	96.4	85.6	85.6	91.2	91.2	78.7	78.7
HU	96.3	96.3	63.1	63.1	96.3	96.3	63.1	63.1	p.n.a.	p.n.a.	p.n.a.	p.n.a.	p.n.a.	p.n.a.	p.n.a.	p.n.a.
MT	82.4	82.4	70.5	70.5	73.8	73.8	60.8	60.8	78.6	78.6	66.8	66.8	69.0	69.0	57.1	57.1
NL	113.2	113.2	95.3	95.3	92.5	92.5	90.0	90.0	19.8	19.8	24.5	24.5	45.4	45.4	40.7	40.7
AT	94.7	94.7	81.0	81.0	94.4	94.4	81.0	81.0	72.9	72.9	60.7	60.7	76.6	76.6	60.7	60.7
PL	43.7	43.7	36.8	36.8	43.4	43.4	36.8	36.8	36.3	36.3	30.2	30.2	35.9	35.9	30.2	30.2
PT	76.3	76.3	62.9	62.9	78.1	78.1	62.3	62.3	52.9	52.9	43.0	43.0	55.6	55.6	42.5	42.5
RO	49.2	49.2	38.1	38.1	45.8	45.8	35.5	35.5	42.4	42.4	32.8	32.8	40.5	40.5	31.3	30.2
SI	69.5	69.5	46.3	46.3	67.4	67.4	43.6	43.6	54.7	54.7	36.5	36.5	54.6	54.6	34.3	34.3
SK	73.1	78.9	60.3	61.5	69.6	77.4	54.8	57.6	55.8	60.4	46.1	47.1	53.2	59.3	42.0	44.1
FI	67.4	67.4	58.7	58.7	64.8	64.8	57.2	57.2	57.7	57.7	46.2	46.2	53.5	53.5	44.2	44.2
SE	69.3	69.3	70.0	70.0	59.6	59.6	60.2	60.2	49.8	49.8	47.5	47.5	48.7	48.7	47.5	47.5
UK	38.8	38.8	31.0	31.0	41.5	41.5	31.0	31.0	30.1	30.1	24.0	24.0	32.2	32.2	24.0	24.0

Data source: Member States (BE, DK, ES, FR, HR, IT, CY, LT, HU, MT, AT, PL, FI, SE, UK) and the OECD; Note: p.n.a. – pension not available

Table A5-4: Prospective Theoretical Replacement Rates ("Longer career II: from age 25 to SPA+2" and "Shorter career II: from age 25 to SPA-2"), 2053

MS	Longer career II: from age 25 to SPA+2								Shorter career II: from age 25 to SPA-2							
	Low				Average				Low				Average			
	Net		Gross		Net		Gross		Net		Gross		Net		Gross	
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
BE	88.5	88.5	60.4	60.4	77.1	77.1	52.4	52.4	p.n.a.	p.n.a.	p.n.a.	p.n.a.	p.n.a.	p.n.a.	p.n.a.	p.n.a.
BG	96.9	78.7	72.7	59.0	96.9	78.7	72.7	59.0	p.n.a.	p.n.a.	p.n.a.	p.n.a.	p.n.a.	p.n.a.	p.n.a.	p.n.a.
CZ	87.9	87.9	69.9	69.9	70.4	70.4	53.1	53.1	68.9	68.9	54.8	54.8	54.8	54.8	41.4	41.4
DK	107.0	107.0	94.8	94.8	86.9	86.9	76.2	76.2	101.2	101.2	89.3	89.3	75.9	75.9	65.9	65.9
DE	85.3	85.3	65.2	65.2	84.0	84.0	65.2	65.2	66.7	66.7	49.5	49.5	67.6	67.6	49.5	49.5
EE	79.4	79.4	67.1	67.1	69.7	69.7	60.5	60.5	55.6	55.6	44.8	44.8	49.1	49.1	39.9	39.9
IE	87.4	87.4	86.3	86.3	76.3	76.3	70.9	70.9	36.6	36.6	31.8	31.8	40.8	40.8	31.8	31.8
EL	52.1	52.1	48.3	48.3	48.1	48.1	48.3	48.3	47.7	47.7	44.0	44.0	43.8	43.8	44.0	44.0
ES	90.7	90.7	85.9	85.9	90.9	90.9	85.9	85.9	79.7	79.7	67.6	67.6	74.7	74.7	67.6	67.6
FR	73.3	73.3	61.8	61.8	73.3	73.3	61.8	61.8	59.8	59.8	50.4	50.4	59.8	59.8	50.4	50.4
HR	57.4	57.4	43.0	43.0	47.3	47.3	32.9	32.9	49.1	49.1	36.8	36.8	40.2	40.2	27.9	27.9
IT	91.7	91.7	82.1	82.1	91.7	91.7	82.1	82.1	81.3	81.3	72.0	72.0	81.3	81.3	72.0	72.0
CY	76.0	76.0	68.0	68.0	78.0	78.0	69.0	69.0	66.0	66.0	59.0	59.0	67.0	67.0	58.0	58.0
LV	57.8	57.8	49.3	49.3	57.4	57.4	49.3	49.3	49.0	49.0	41.5	41.5	48.5	48.5	41.5	41.5
LT	103.1	103.1	80.7	80.7	84.9	84.9	64.1	64.1	75.3	75.3	59.0	59.0	62.1	62.1	46.9	46.9
LU	93.6	93.6	82.6	82.6	88.7	88.7	75.9	75.9	p.n.a.	p.n.a.	p.n.a.	p.n.a.	p.n.a.	p.n.a.	p.n.a.	p.n.a.
HU	96.3	96.3	63.1	63.1	96.3	96.3	63.1	63.1	p.n.a.	p.n.a.	p.n.a.	p.n.a.	p.n.a.	p.n.a.	p.n.a.	p.n.a.
MT	82.4	82.4	70.5	70.5	73.8	73.8	60.8	60.8	78.6	78.6	66.8	66.8	69.0	69.0	57.1	57.1
NL	98.1	98.1	101.1	101.1	101.4	101.4	99.6	99.6	21.3	21.3	25.7	25.7	47.6	47.6	42.8	42.8
AT	94.7	94.7	81.0	81.0	94.4	94.4	81.0	81.0	72.9	72.9	60.7	60.7	76.6	76.6	60.7	60.7
PL	47.7	47.7	40.4	40.4	47.4	47.4	40.4	40.4	39.7	39.7	33.2	33.2	39.3	39.3	33.2	33.2
PT	102.9	102.9	88.2	88.2	104.1	104.1	87.3	87.3	71.0	71.0	57.6	57.6	72.2	72.2	57.1	57.1
RO	49.2	41.4	38.1	36.1	45.8	43.9	35.5	34.0	42.4	0.0	32.8	0.0	40.5	0.0	31.3	0.0
SI	69.5	73.1	46.3	48.7	67.4	70.4	43.6	45.8	54.7	62.2	36.5	35.4	54.6	56.9	34.3	33.3
SK	81.5	81.5	67.2	67.2	77.7	77.7	61.2	61.2	62.4	62.4	51.2	51.2	59.5	59.5	46.7	46.7
FI	67.4	67.4	58.7	58.7	64.8	64.8	57.2	57.2	57.7	57.7	46.2	46.2	53.5	53.5	44.2	44.2
SE	69.3	69.3	70.0	70.0	59.6	59.6	60.2	60.2	49.8	49.8	47.5	47.5	48.7	48.7	47.5	47.5
UK	95.6	95.6	87.8	87.8	79.4	79.4	71.2	71.2	36.0	36.0	28.8	28.8	38.6	38.6	28.8	28.8

Data source: Member States (BE, DK, ES, FR, HR, IT, CY, LT, HU, MT, AT, PL, FI, SE, UK) and the OECD; Note: p.n.a. – pension not available

Table A5-5: Prospective Theoretical Replacement Rates ("Career break for unemployment: 1, 2 or 3 years"), 2053

MS	Low												Average											
	Net						Gross						Net						Gross					
	Men			Women			Men			Women			Men			Women			Men			Women		
	1	2	3	1	2	3	1	2	3	1	2	3	1	2	3	1	2	3	1	2	3	1	2	3
BE	82.4	82.0	81.7	82.4	82.0	81.7	56.2	56.1	55.8	56.2	56.1	55.8	73.2	72.8	72.4	73.2	72.8	72.4	48.5	48.2	48.0	48.5	48.2	48.0
BG	83.3	77.4	73.4	73.8	71.7	67.8	62.5	59.6	57.9	55.3	55.2	53.7	83.3	77.4	73.4	73.8	71.7	67.8	62.5	59.6	57.9	55.3	55.2	53.7
CZ	75.1	73.4	71.7	75.1	73.4	71.7	60.4	59.8	59.1	60.4	59.8	59.1	60.1	58.9	57.7	60.1	58.9	57.7	45.9	45.5	45.1	45.9	45.5	45.1
DK	101.1	100.2	99.4	101.1	100.2	99.4	89.1	88.3	87.6	89.1	88.3	87.6	80.8	79.9	79.1	80.8	79.9	79.1	70.6	69.7	68.9	70.6	69.7	68.9
DE	75.6	75.5	75.1	75.6	75.5	75.1	56.6	56.5	56.1	56.6	56.5	56.1	74.1	73.8	72.4	74.1	73.8	72.4	55.8	55.5	54.0	55.8	55.5	54.0
EE	62.6	61.5	60.4	62.6	61.5	60.4	50.4	49.5	48.6	50.4	49.5	48.6	54.2	53.3	52.4	54.2	53.3	52.4	45.0	44.1	43.2	45.0	44.1	43.2
IE	83.5	82.9	78.1	83.5	82.9	78.1	80.2	79.1	78.1	80.2	79.1	78.1	70.4	69.4	68.7	70.4	69.4	68.7	64.8	63.7	62.7	64.8	63.7	62.7
EL	51.4	51.4	51.4	51.4	51.4	51.4	56.2	56.2	56.2	56.2	56.2	56.2	47.0	47.0	47.0	47.0	47.0	47.0	47.2	47.2	47.2	47.2	47.2	47.2
ES	87.8	87.6	86.4	87.8	87.6	86.4	79.4	79.2	77.8	79.4	79.2	77.8	86.7	86.5	85.0	86.7	86.5	85.0	79.4	79.2	77.7	79.4	79.2	77.7
FR	68.7	68.5	68.1	68.7	68.5	68.1	57.9	57.7	57.4	57.9	57.7	57.4	68.7	68.5	68.1	68.7	68.5	68.1	57.9	57.7	57.4	57.9	57.7	57.4
HR	51.6	50.4	49.2	51.6	50.4	49.2	38.7	37.8	36.8	38.7	37.8	36.8	42.5	41.5	40.4	42.5	41.5	40.4	29.5	28.8	28.1	29.5	28.8	28.1
IT	89.5	87.9	86.4	89.5	87.9	86.4	79.9	78.2	76.5	79.9	78.2	76.5	89.1	87.4	85.7	89.1	87.4	85.7	79.9	78.2	76.5	79.9	78.2	76.5
CY	73.0	71.0	71.0	73.0	71.0	71.0	65.0	64.0	64.0	65.0	64.0	64.0	75.0	73.0	72.0	75.0	73.0	72.0	65.0	64.0	63.0	65.0	64.0	63.0
LV	51.1	50.5	49.8	51.1	50.5	49.8	43.4	42.8	42.3	43.4	42.8	42.3	50.6	50.0	49.4	50.6	50.0	49.4	43.4	42.8	42.3	43.4	42.8	42.3
LT	85.8	83.8	83.2	85.8	83.8	83.2	67.2	65.7	65.2	67.2	65.7	65.2	70.7	69.1	68.5	70.7	69.1	68.5	53.4	52.2	51.7	53.4	52.2	51.7
LU	87.6	87.3	85.8	87.6	87.3	85.8	76.3	76.0	74.3	76.3	76.0	74.3	83.4	83.1	81.6	83.4	83.1	81.6	70.0	69.7	68.0	70.0	69.7	68.0
HU	80.4	78.9	77.3	80.4	78.9	77.3	52.7	51.7	50.6	52.7	51.7	50.6	80.4	78.9	77.3	80.4	78.9	77.3	52.7	51.7	50.6	52.7	51.7	50.6
MT	73.5	73.5	73.5	73.5	73.5	73.5	61.4	61.4	61.4	61.4	61.4	61.4	73.8	73.8	73.8	73.8	73.8	73.8	60.8	60.8	60.8	60.8	60.8	60.8
NL	92.7	92.2	91.6	92.7	92.2	91.6	94.7	94.0	93.4	94.7	94.0	93.4	91.5	90.5	89.6	91.5	90.5	89.6	88.9	87.9	86.8	88.9	87.9	86.8
AT	84.8	84.0	83.2	84.8	84.0	83.2	70.7	70.0	69.3	70.7	70.0	69.3	85.6	85.0	84.4	85.6	85.0	84.4	70.7	70.0	69.3	70.7	70.0	69.3
PL	42.6	41.5	40.4	42.6	41.5	40.4	35.9	34.9	33.9	35.9	34.9	33.9	42.3	41.1	40.0	42.3	41.1	40.0	35.9	34.9	33.9	35.9	34.9	33.9
PT	77.6	77.5	77.4	77.6	77.5	77.4	64.2	64.1	64.0	64.2	64.1	64.0	79.5	79.5	79.4	79.5	79.5	79.4	63.5	63.5	63.4	63.5	63.5	63.4
RO	42.5	40.4	38.3	36.4	36.4	35.0	33.4	32.5	31.6	30.7	30.6	29.0	40.0	38.0	36.0	33.1	33.1	31.6	31.4	30.5	29.7	29.4	29.3	27.7
SI	61.2	60.7	59.2	73.0	73.1	75.6	41.1	41.1	41.1	43.3	43.3	43.3	60.5	60.1	58.8	68.1	68.2	68.4	38.7	38.7	38.7	40.7	40.7	40.7
SK	71.9	70.6	68.8	71.9	70.6	68.8	59.0	57.9	53.9	59.0	57.9	53.9	68.3	67.1	62.2	68.3	67.1	62.2	53.6	52.5	48.8	53.6	52.5	48.8
FI	62.4	62.3	61.9	62.4	62.3	61.9	52.3	52.2	51.6	52.3	52.2	51.6	58.8	58.6	57.7	58.8	58.6	57.7	50.5	50.2	49.1	50.5	50.2	49.1
SE	64.9	64.7	64.4	64.9	64.7	64.4	64.8	64.6	64.3	64.8	64.6	64.3	54.9	54.5	54.1	54.9	54.5	54.1	54.6	54.2	53.8	54.6	54.2	53.8
UK	93.5	92.4	91.2	93.5	92.4	91.2	77.7	76.6	75.6	77.7	76.6	75.6	79.1	77.9	76.7	79.1	77.9	76.7	62.7	61.6	60.5	62.7	61.6	60.5

Data source: Member States (BE, DK, ES, FR, HR, IT, CY, LT, HU, MT, AT, PL, FI, SE, UK) and the OECD.

Table A5-6: Prospective Theoretical Replacement Rates ("Career break due to child-care: 0, 1, 2 or 3 years, women"), 2053

MS	Low								Average							
	Net				Gross				Net				Gross			
	0	1	2	3	0	1	2	3	0	1	2	3	0	1	2	3
BE	82.7	82.2	81.8	81.4	46.1	56.1	55.8	55.5	74.7	73.2	72.9	72.7	49.5	48.4	48.1	47.7
BG	73.8	73.8	73.8	73.8	55.3	55.3	55.3	55.3	73.8	73.8	73.8	73.8	55.3	55.3	55.3	55.3
CZ	76.9	76.9	76.9	76.9	61.1	61.1	61.1	61.1	61.4	61.4	61.4	61.4	46.3	46.3	46.3	46.3
DK	101.9	101.5	100.4	99.4	89.9	89.6	88.5	87.6	81.7	81.3	80.3	79.3	71.4	71.0	70.1	69.2
DE	76.0	76.0	75.8	75.3	57.1	57.0	56.9	56.5	75.6	74.1	74.0	73.4	56.9	55.8	55.7	55.3
EE	64.7	65.0	64.0	63.1	52.1	51.4	50.6	49.9	55.9	56.7	56.0	55.2	46.7	46.0	45.2	44.4
IE	84.2	83.6	82.9	82.3	81.2	80.2	79.1	78.1	71.4	70.4	69.4	68.7	65.8	64.8	63.7	62.7
EL	51.4	51.4	51.4	51.4	56.2	56.2	56.2	56.2	47.0	47.0	47.0	47.0	47.2	47.2	47.2	47.2
ES	87.8	87.8	87.7	87.5	79.5	79.5	79.3	79.0	86.8	86.7	86.6	86.4	79.5	79.5	79.3	79.0
FR	77.6	77.2	76.8	76.4	65.3	65.0	64.6	64.3	77.6	77.2	76.8	76.4	65.3	65.0	64.6	64.3
HR	52.9	52.9	52.5	51.2	39.6	39.6	39.3	38.4	43.5	43.5	42.9	41.9	30.2	30.2	29.8	29.1
IT	91.4	91.2	90.7	87.8	80.1	79.8	79.4	76.3	89.3	89.0	88.5	85.5	80.1	79.8	79.4	76.3
CY	73.0	72.0	72.0	72.0	65.0	65.0	65.0	64.0	72.0	71.0	70.0	69.0	64.0	64.0	63.0	62.0
LV	51.7	50.5	48.8	47.8	43.9	43.1	42.2	41.3	51.2	49.2	48.2	47.0	43.9	42.9	42.1	41.0
LT	86.4	86.1	85.7	85.2	67.7	67.4	67.1	66.7	71.3	70.9	70.5	70.0	53.9	53.6	53.3	52.9
LU	88.0	88.0	88.0	88.0	76.6	76.6	76.6	76.6	83.7	83.7	83.7	83.7	70.3	70.3	70.3	70.3
HU	81.9	81.9	81.9	81.9	53.7	53.7	53.7	53.7	81.9	81.9	81.9	81.9	53.7	53.7	53.7	53.7
MT	82.4	82.4	82.4	80.7	70.5	70.5	70.5	65.9	73.8	73.8	73.8	73.7	60.8	60.8	60.8	60.8
NL	93.3	92.7	92.2	91.6	93.1	94.7	94.0	93.4	92.5	91.5	90.5	89.6	87.8	88.9	87.9	86.8
AT	95.2	93.8	92.3	90.9	81.7	79.9	78.1	76.4	92.0	90.5	89.0	87.5	78.2	76.4	74.6	72.9
PL	43.7	43.5	43.2	43.0	36.8	36.7	36.3	36.2	43.4	43.2	42.8	42.6	36.8	36.7	36.3	36.2
PT	82.0	77.6	77.5	77.4	68.3	64.2	64.1	64.0	84.2	79.5	79.5	79.3	67.6	63.5	63.4	63.3
RO	40.8	40.8	40.8	40.8	31.6	31.6	31.6	31.6	39.1	39.1	39.1	39.1	30.2	30.2	30.2	30.2
SI	65.0	65.0	65.0	60.2	43.3	43.3	43.3	41.1	63.6	63.6	63.6	59.6	40.7	40.7	40.7	38.7
SK	73.1	72.5	72.0	71.5	60.3	59.8	59.4	59.0	69.6	69.1	68.6	68.0	54.6	54.3	54.0	53.6
FI	62.5	62.6	62.3	62.3	52.5	52.5	52.1	52.2	59.1	59.1	58.4	58.5	50.8	50.8	50.0	50.1
SE	69.2	69.1	69.0	69.0	66.4	66.2	65.8	65.6	56.1	55.9	55.6	55.4	55.9	55.8	55.4	55.1
UK	94.7	93.5	92.4	91.2	78.8	77.7	76.6	75.6	80.4	79.1	77.9	76.7	63.8	62.7	61.6	60.5

Data source: Member States (BE, DK, ES, FR, HR, IT, CY, LT, HU, MT, AT, PL, FI, SE, UK) and the OECD.

Table A5-7: Prospective Theoretical Replacement Rates ("Early retirement due to disability" and "Early retirement due to unemployment"), 2053

MS	Early retirement due to disability								Early retirement due to unemployment							
	Low				Average				Low				Average			
	Net		Gross		Net		Gross		Net		Gross		Net		Gross	
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
BE	80.9	80.9	55.2	55.2	71.7	71.7	47.4	47.4	80.9	80.9	55.2	55.2	71.7	71.7	47.4	47.4
BG	80.8	75.3	60.6	56.4	80.8	75.3	60.6	56.4	p.n.a.	p.n.a.	p.n.a.	p.n.a.	p.n.a.	p.n.a.	p.n.a.	p.n.a.
CZ	75.3	75.3	58.0	58.0	54.1	54.1	43.9	43.9	67.2	67.2	54.5	54.5	54.5	54.5	42.0	42.0
DK	98.9	98.9	86.8	86.8	78.5	78.5	68.4	68.4	99.4	99.4	87.2	87.2	78.9	78.9	68.7	68.7
DE	71.2	71.2	52.9	52.9	58.1	58.1	41.2	41.2	74.7	74.7	55.8	55.8	70.0	70.0	51.7	51.7
EE	64.7	64.7	52.1	52.1	55.9	55.9	46.7	46.7	58.5	58.5	47.2	47.2	51.0	51.0	41.8	41.8
IE	82.2	82.2	78.0	78.0	68.7	68.7	62.6	62.6	82.2	82.2	78.0	78.0	68.7	68.7	62.6	62.6
EL	51.4	51.4	56.2	56.2	47.0	47.0	47.2	47.2	51.4	51.4	56.2	56.2	47.0	47.0	47.2	47.2
ES	89.7	89.7	84.0	84.0	89.7	89.7	84.0	84.0	78.1	78.1	65.5	65.5	72.8	72.8	65.5	65.5
FR	70.6	70.6	59.5	59.5	70.6	70.6	59.5	59.5	70.6	70.6	59.5	59.5	70.6	70.6	59.5	59.5
HR	46.2	46.2	34.6	34.6	43.1	43.1	29.9	29.9	38.3	38.3	28.7	28.7	31.6	31.6	21.9	21.9
IT	82.9	82.9	73.0	73.0	82.3	82.3	73.0	73.0	75.8	75.8	66.6	66.6	75.2	75.2	66.6	66.6
CY	69.0	69.0	62.0	62.0	69.0	69.0	60.0	60.0	68.0	68.0	61.0	61.0	68.0	68.0	59.0	59.0
LV	47.8	47.8	41.2	41.2	46.3	46.3	40.3	40.3	45.3	45.3	39.0	39.0	44.8	44.8	39.0	39.0
LT	90.7	90.7	71.0	71.0	73.4	73.4	55.5	55.5	70.4	70.4	55.1	55.1	59.6	59.6	45.0	45.0
LU	77.1	77.1	65.6	65.6	74.1	74.1	60.3	60.3	82.5	82.5	70.9	70.9	78.3	78.3	64.6	64.6
HU	74.8	74.8	49.0	49.0	74.8	74.8	49.0	49.0	81.9	81.9	53.7	53.7	81.9	81.9	53.7	53.7
MT	90.5	90.5	76.2	76.2	76.9	76.9	62.3	62.3	90.5	90.5	76.2	76.2	76.9	76.9	62.3	62.3
NL	93.3	93.3	95.3	95.3	92.5	92.5	90.0	90.0	93.3	93.3	95.3	95.3	92.5	92.5	90.0	90.0
AT	64.5	64.5	53.7	53.7	70.2	70.2	53.7	53.7	81.4	81.4	67.9	67.9	83.1	83.1	67.9	67.9
PL	36.5	36.5	30.3	30.3	36.1	36.1	30.3	30.3	36.7	36.7	30.4	30.4	36.2	36.2	30.4	30.4
PT	68.9	68.9	55.9	55.9	70.3	70.3	55.4	55.4	77.6	77.6	64.2	64.2	79.6	79.6	63.6	63.6
RO	43.6	38.4	33.8	31.6	41.1	36.4	31.8	31.6	34.5	34.5	30.0	30.0	33.4	33.4	29.1	29.1
SI	59.1	62.2	41.1	43.3	58.8	61.4	38.7	40.7	56.9	59.8	41.1	43.3	56.8	59.3	38.7	40.7
SK	63.7	63.7	54.6	54.6	62.1	62.1	50.6	50.6	60.3	60.3	53.5	53.5	58.1	58.1	49.3	49.3
FI	58.7	58.7	46.2	46.2	51.7	51.7	42.1	42.1	59.0	59.0	46.7	46.7	51.8	51.8	42.2	42.2
SE	68.9	68.9	65.1	65.1	55.2	55.2	55.1	55.1	67.9	67.9	62.7	62.7	52.9	52.9	52.4	52.4
UK	87.8	87.8	76.4	76.4	73.8	73.8	61.4	61.4	87.8	87.8	76.4	76.4	73.8	73.8	61.4	61.4

Data source: Member States (BE, DK, ES, FR, HR, IT, CY, LT, HU, MT, AT, PL, FI, SE, UK) and the OECD; Note: p.n.a. – pension not available

Table A5-8: Prospective Theoretical Replacement Rates ("Pension rights of surviving spouses" and "Inflation: 10 years after retirement"), 2053

MS	Pension rights of surviving spouses		Inflation: 10 years after retirement			
	Low		Average			
	Net	Gross	Net		Gross	
	Women		Men	Women	Men	Women
BE	113.7	80.8	66.7	66.7	44.2	44.2
BG	103.6	81.3	71.8	63.8	56.3	50.0
CZ	115.6	96.2	57.1	57.1	44.0	44.0
DK	101.9	89.9	79.4	79.4	69.3	69.3
DE	96.9	76.5	69.7	69.7	51.4	51.4
EE	106.0	94.1	49.9	49.9	40.6	40.6
IE	84.2	81.2	68.3	68.3	60.8	60.8
EL	98.1	108.2	37.3	37.3	37.4	37.4
ES	143.0	142.2	76.0	76.0	68.3	68.3
FR	87.4	73.7	59.2	59.2	49.9	49.9
HR	69.7	48.4	41.4	41.4	28.8	28.8
IT	93.3	86.1	76.0	76.0	68.2	68.2
CY	129.0	152.0	69.0	69.0	60.0	60.0
LV	51.7	43.9	45.3	45.3	39.4	39.4
LT	87.3	68.4	65.7	65.7	50.9	50.9
LU	149.1	136.6	77.7	77.7	65.3	65.3
HU	106.5	69.8	68.3	68.3	44.7	44.7
MT	88.6	80.4	62.0	62.0	53.3	53.3
NL	101.7	122.0	90.5	90.5	90.0	90.0
AT	129.2	124.6	74.1	74.1	64.1	64.1
PL	55.5	47.4	39.1	39.1	33.0	33.0
PT	98.1	90.4	69.7	69.7	57.7	57.7
RO	40.8	31.6	33.5	33.5	27.0	27.0
SI	65.0	43.3	59.0	59.0	38.7	38.7
SK	94.1	75.0	62.4	62.4	46.7	46.7
FI	85.3	81.9	53.8	53.8	44.6	44.6
SE	68.9	65.1	50.4	50.4	50.1	50.1
UK	147.5	128.6	74.8	74.8	58.8	58.8

Data source: Member States (BE, DK, ES, FR, HR, IT, CY, LT, HU, MT, AT, PL, FI, SE, UK) and the OECD

Table A5-9: Current and prospective Theoretical Replacement Rates ("Short career, 30 year career"), 2013 and 2053

MS	Current TRRs (2013)				Prospective TRRs (2053)							
	Low				Low				Average			
	Net		Gross		Net		Gross		Net		Gross	
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
BE	74.5	74.5	49.8	49.8	64.1	64.1	42.9	42.9	62.3	62.3	36.9	36.9
BG	43.4	43.4	34.0	34.0	38.0	33.6	38.0	34.1	38.0	33.6	38.0	34.1
CZ	52.1	53.7	45.2	46.6	60.3	60.3	48.5	48.5	47.9	47.9	36.5	36.5
DK	:	:	:	:	91.8	91.8	76.5	76.5	67.8	67.8	58.3	58.3
DE	56.1	56.1	39.3	39.3	72.2	72.2	53.6	53.6	60.1	60.1	42.8	42.8
EE	42.5	42.5	33.9	33.9	52.0	52.0	41.8	41.8	45.6	45.6	36.4	36.4
IE	:	:	:	:	79.3	79.3	73.4	73.4	65.4	65.4	58.0	58.0
EL	:	:	:	:	44.4	44.4	48.4	48.4	39.4	39.4	39.5	39.5
ES	69.5	69.5	59.0	59.0	P.n.a.	P.n.a.	P.n.a.	P.n.a.	P.n.a.	P.n.a.	P.n.a.	P.n.a.
FR	56.4	56.4	47.7	47.7	46.2	46.2	39.0	39.0	46.2	46.2	39.0	39.0
HR	44.6	44.6	33.4	33.4	37.9	37.9	28.4	28.4	31.2	31.2	21.7	21.7
IT	84.7	84.7	51.9	53.1	65.7	65.7	55.5	55.5	65.0	65.0	55.5	55.5
CY	56.0	56.0	52.0	52.0	58.0	58.0	52.0	52.0	57.0	57.0	50.0	50.0
LV	66.4	66.4	47.1	47.1	39.4	39.4	32.9	32.9	38.9	38.9	32.9	32.9
LT	51.6	51.6	41.1	41.1	66.0	66.0	51.7	51.7	54.2	54.2	41.0	41.0
LU	78.9	78.9	69.5	69.5	77.4	77.4	65.8	65.8	74.2	74.2	60.4	60.4
HU	77.5	77.5	50.8	50.8	69.6	69.6	45.6	45.6	69.6	69.6	45.6	45.6
MT	78.5	78.5	66.9	66.9	82.0	82.0	70.0	70.0	73.4	73.4	60.5	60.5
NL	79.6	79.6	67.5	67.5	68.4	68.4	88.8	88.8	65.0	65.0	79.3	79.3
AT	61.2	48.9	50.8	40.6	64.1	64.1	53.4	53.4	69.9	69.9	53.4	53.4
PL	80.2	70.5	69.6	61.0	33.7	33.7	27.8	27.8	33.2	33.2	27.8	27.8
PT	68.7	68.7	55.6	55.6	60.6	60.6	49.2	49.2	62.6	62.6	48.7	48.7
RO	77.3	67.2	58.1	48.3	24.6	21.7	25.4	23.0	22.9	20.7	23.6	22.0
SI	51.9	55.4	35.7	38.1	46.2	48.6	41.1	43.2	46.1	48.5	38.6	40.6
SK	50.2	50.2	40.6	40.6	65.2	65.2	52.8	52.8	59.7	59.7	46.1	46.1
FI	77.7	77.7	66.0	66.0	59.6	59.6	47.9	47.9	49.2	49.2	39.1	39.1
SE	88.2*	88.2*	70.4	70.4	68.0	68.0	56.3	56.3	47.8	47.8	46.4	46.4
UK	82.3	76.3	65.3	60.2	84.5	84.5	69.1	69.1	70.3	70.3	54.8	54.8

*Data source: Member States (BE, DK, ES, FR, HR, IT, CY, LT, HU, MT, AT, PL, FI, SE, UK) and the OECD: Notes: * – including housing supplement (17.00 p.p.), p.n.a. – pension not available; : - data not available*

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Annex 8. Views of the European Social Partners

BUSINESSEUROPE

COMMENT

The 2015 Pension Adequacy Report
European Commission – Social Protection Committee

- Provision of adequate pensions, particularly in the long-term is only possible if the system is sustainable both for governments and for employers as contributors to mandatory systems and as providers of occupational pensions.
- The report makes an important observation that current pensioners' living standards have largely been maintained over the crisis and even in those countries where pensions have been reduced, in general the relative position of pensioners has not deteriorated. The recognition that living standards in old age also depend on other factors, e.g. financial assets, is an important element, also taking into account household incomes overall.
- So the issue is ensuring that adequate pensions can continue to be provided for future generations. In the context of increased life expectancy, this would not be possible without reforms. Rather than raising taxes and social security contributions paid by employers and those in employment, which places a large burden on companies and the working population, particularly younger generations, it is more beneficial to increase contributions by ensuring that more people are working and people work longer.
- And this is recognized in the report - increases in pensionable ages are more likely to create win-win scenarios and are a good way to avoid a trade-off between adequacy and financial sustainability.
- Therefore, as stated in the report, policies enabling women and men to postpone their retirement by working to higher ages will be important for most, if not all, Member States.
- Furthermore, extension of the working age can help counteract the decline in labour supply due to population ageing, which is a key issue for employers who lack skilled workers. As rightly recognized in the report, labour participation at all working ages and growing productivity will also be essential elements for maintaining the level of economic output which supports the high standard of social protection in Europe.
- There have already been a wide range of reforms to public pension systems. Whilst pension provision remains a national competence, we support the European Semester process and use of Country Specific Recommendations to encourage national pension reforms and longer working lives.
- Reforms have had a positive impact if, as noted in the report, overall spending on public pensions is no longer expected to be higher in 2060 than presently. However, as stated, there are differences between member states and in several spending will increase significantly by 2060. Furthermore, these calculations are built on the premise that employment rates will rise, whereas this requires further work. There is therefore still room for further reforms and across more countries.
- Of course, as well as being sustainable, pension systems also need to include safeguards against poverty risks. As stated in the report, protection needs to be balanced with incentives to remain longer in work.

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- This also means that pension adequacy and sustainability very much depend on developments in labour markets and at the workplace.
- To make longer working lives a reality, the first condition is for companies to be able to create jobs. This requires framework conditions which are conducive to hiring workers, including older workers. In this context, it is important to ensure flexibility in the use of different types of employment contract, for example the possibility to combine part-time work with partial retirement, to avoid overly strict employment protection legislation, which acts as a disincentive to hiring workers, and to avoid too strong emphasis on seniority based pay systems, which is a clear disincentive to hiring older workers.
- As stated in the report, ensuring that employment regulations allow workers to move between jobs and aligning labour costs with productivity are important.
- Of course action also has to be taken at the workplace jointly between employers and workers to make longer working lives a reality and to promote active ageing. This includes measures to sustain workers' employability over the lifecourse, for example concerning skills, health and safety, and flexible working arrangements.
- European Social Partners are committed to this issue - as part of our new work programme we have agreed to negotiate a framework agreement on fostering active ageing and an intergenerational approach.
- A particular issue which is identified in the report is where career patterns fail to match rising pensionable ages or meet contribution period requirements. This is the case for those at the margins of the labour market, those who may not have full careers, such as women, and now in particular young people, many of whom are unemployed.
- In these cases, as stated in the report, support is necessary however this must be combined with labour market reforms to improve access to, inclusion and retention on the labour market.
- We also note the gender gap in pensions highlighted in the report. We agree on the need to tackle this, whilst recognizing that there are large differences between member states. Equalising pension ages between men and women is important, but this is also about ensuring that women are able to enter and remain on the labour market and be economically independent. We believe that developing ways to reconcile work and family lives, like flexible contractual arrangements and flexible working time arrangements, as well as improving availability of childcare are more beneficial in this respect than introducing new forms of leave. We are optimistic that change will occur in this area, as more women are now coming onto the labour market.
- The report also positively recognizes the importance of occupational pensions in providing adequate incomes in retirement. In this context, it rightly acknowledges that all pension arrangements entail exposure to certain risks - not one type of arrangement more than another. Whilst funded schemes are reliant on financial markets, statutory pay-as-you-go systems rely on a sufficient level of employment, which we still need to work at in Europe. The key is designing systems to deal with such risks, which is for national governments and where appropriate, social partners.
- European Social Partners in their In-depth Employment Analysis highlight that occupational pensions will play a greater role in the future adequacy and sustainability of pension systems overall. Where appropriate, there should be a mix in the sources of income in retirement, taking into account national specificities. Occupational pensions, which are often the responsibility of the social partners at national, sectoral or company level, should remain a good and cost-effective option for employers to provide to their employees.

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Brussels, September 2015

CEEP's comments on The 2015 Pension Adequacy Report: current and future income adequacy in old age in the EU

European Commission – Social Protection Committee

CEEP welcomes the publication of the 2015 Pension Adequacy Report. This comprehensive work from the Social Protection Committee of the EPSCO Council and DG EMPL should effectively complete the picture of the 2015 Ageing report from the Economic Policy Committee. It was indeed critical to assess the effects of the different recovery packages implemented in the EU Member States, not only through their ability for ensuring the sustainability of Pension systems but also via their effects on Pensioners resources.

- We fully agree that there is not one balance between pension pillars that should be applied to all EU countries as they share different economic and demographic realities as well as different institutional set-ups. The solution lies for each Member State to find the right policy-mix and balance between the different pension pillars.

- Higher unemploment along with slower productivity and wage growth, have affected negatively both the tax and contributory base of pension systems, reducing the revenues that pension system rely on. Furthermore, the very high level of long-term unemployment in Europe can negatively affect the accruals of pension entitlements, having an adverse effect on individual pensions.

- The report makes it appear as crucial to monitor the length of the period of unemployment and actively promote a reasonable return to the labour market thanks to efficient partnership between PES, employers, municipalities and social services.

- It is well recognised in the report that increasing the pensionable ages has a key role for reaching both the adequacy and sustainability of Pension Systems. It is therefore important that Member States reduce the risk of older workers being forced into early exit pathways from the labour market, including early retirement and unemployment.

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- The European social partners will soon contribute to this by negotiating an autonomous framework agreement on active ageing and an inter-generational approach as part of their new social dialogue work programme 2015-2017. We will carefully examine in this framework measures such as flexible working hours, gradual transitions into retirement, skills upgrading/updating, and/or preventive health and safety regulations and measures such as workplace physical and organisational adaptations aiming to lengthen work abilit and thus contribute to address the difficulties of older workers to stay in activity.

- CEEP supports the recognition of occupational Pension as providing adequate incomes in retirement. Indeed, the development of workplace pension scheme through collective agreement have two important key features. This form of collective capitalisation is based on a social purpose and creates a strong link employers and their employees. When this dialogue is functional, it allows for better adaptation to the economic outlook. Pension funds managed by the Social Partners can therefore balance generations interests and also safeguard the principle of solidarity of risks between participants.

- The crisis should be used as an opportunity to carry out long-term oriented reforms that do not confront pensioners by a fait accompli which would make it very difficult for them to adapt to new circumstances.

- The Pension adequacy report helps realise that the different Pension oriented recovery packages implemented at the national level seem to have secured some ground for a thriving economy to supply the income that can pay for pensions. But another reality is that they have also reduced the hard-won public finance improvements intended to provide room for extra-expenditure to address ageing and this lost-ground will have to be regained.

- CEEP notes the important gender pay gap highlighted in the Pension Adequacy report. To address this imbalance the dual approach, specific actions and gender mainstreaming, is essential. Sex disaggregated statistics is a necessary tool to raise visibility and monitor progress. Women's economic engagement is central to their personal financial independence and protection from the risk of poverty, in particular for ensuring an adequate old-age pension.

- CEEP finally very much welcomes the recognition of the added value of quality in-kind benefits and public-services as a key factor for assessing the adequacy of pensions. Services such as health care, social services and long-term care are a precondition for the implementation of comprehensive and integrated social investment strategies providing recipients with tailor-made support (the report rightfully mentions the absolute necessity of available childcare institutions as a key example).

UEAPME comments

2015 Pension Adequacy Report "Income adequacy in old age" Social Protection Committee

1. UEAPME welcomes the 2015 Pension Adequacy Report of the Social Protection Committee which takes the right approach, when focusing on the need for structural reforms but at the same time leaving room for different ways of adapting systems.

2. Both for the purposes of adequate old-age income of European citizens and the sustainability of public finances it is key to apply the appropriate mix of policies and measures for each Member State. The EU challenges created by the financial and economic crisis and the demographic change due to an ageing population require a serious in-depth search for adequate measures and incentives for Member States.

3. There is not one single system that can be applied in all Member States. Different policy measures work in different countries but there is a similar need for pension reforms in all Member States. As the report rightly states, there are many common challenges and concerns. This exercise is undertaken to a large part because of an ageing population and longer life expectancy. In that light, linking the statutory pension age to life expectancy is part of a necessary and effective solution to overcome current challenges.

4. Pension reforms are clearly a competence of the Member States. Nevertheless, on the European level there is also a clear necessity to work together through the Open Method of Coordination. Using the Country Specific Recommendations in the European Semester process is an effective means to support and encourage the Member States in this area.

5. The report is very comprehensive and addresses many aspects related to old-age income. It is important that when this income is calculated, other sources of income than those through pensions are taken into account, as well as the overall household income.

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6. With regard to the technical assumptions underpinning the report, UEAPME points at the arbitrary nature of predictions on future interest and return rates. The 3% which the report is currently using might be rather optimistic, with possible big impacts on future replacement rates. Lower interest rates may in the meantime also have caused serious risks for the financial stability of occupational pension institutions (IORP). Financial stability on the long term can therefore not be taken for granted.

7. It is also important not to lose sight of the need to develop supplementary pension schemes (occupational and private savings) in several Member States, in addition to public pensions which still remain the main pillar. A multi-pillar system releases the pressure that exists on state pensions which heavily rely on sufficient levels of employment. Supplementary pension schemes make individuals less dependent on state pensions and can thus contribute significantly to providing an adequate old-age income. It is striking that still in only 7 Member States the share of supplementary pension schemes in the gross TRRs is higher than 10%.

8. An essential part of ensuring future adequate incomes in old age will be to facilitate longer working lives. Easy ways to effectively leave the labour market before reaching the statutory pension age should therefore be avoided and in several Member States early retirement schemes should be removed. At the same time, it is also important to focus on employability of older workers. Adult education and continuous training are essential to raise also the level of basic skills and to adapt to changing skills needs.

9. Fuller careers are needed for future cohorts, including women. In this respect it will be necessary to address in some Member States the earlier statutory retirement age of women. Fuller working lives and smaller pension gaps for women are also achieved by improving the reconciliation of work and family life, notably through the provision of more and affordable childcare facilities as foreseen by the Barcelona targets.

10. UEAPME welcomes the emphasis that is put on the cooperation with social partners to deliver on longer working lives and work on both the demand and supply side of late-career labour markets. The European social partners will contribute to this effort in particular through the negotiation of an autonomous framework agreement on active ageing and an inter-generational approach as part of their new social dialogue work programme 2015-2017.

23/09/2015

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2015 PENSION ADEQUACY REPORT

ETUC's contribution

ETUC very much welcomes the Report's focus on the benefit side of pension schemes. For many years now, even in key documents the very purpose of pension policy to provide people with decent income in old age has been widely neglected.

The ETUC very much hopes that future Adequacy Reports will maintain this path.

ETUC wants to underline the Report's analysis of how reforms impact on pension adequacy for people retiring today and in the future, as well as its emphasis on labor market issues, on gender and on older people's access to economic resources beyond pensions.

ETUC firmly believes that public schemes are the best variant of pension schemes to ensure adequate, safe and sustainable pensions, both for current pensioners and for younger generations. Public pension schemes that cover all, with public financing, based on solidarity between groups and on solidarity between generations.

Unfortunately, most recent and prior reforms aimed nearly exclusively at cost containment in public pension schemes and, at least until 2008, at shifting cost to supplementary occupational or private schemes.

The Ageing Report's cost-projections clearly signal to what extent this strategy has been implemented. Despite the sharp increase in the number of people over 65, average public pension expenditure for EU28 is not expected to be higher in 2060 than today.

As a consequence, replacement rates from public schemes are expected to decrease significantly in the majority of Member States. It is very important that the Pension Adequacy Report frankly addresses this issue and adverts to significant risks for the future adequacy of incomes in old age: a warning ETUC has been putting forward for many years now.

It is very important too that the Report addresses the shocking 40 % of the gender pension gap and points to causes such as gender differences in employment, pay, working hours and career duration. Hereby, the urgency of trade union claims for reconciliation of employment and family life and equal pay for equal work once again is confirmed.

Regarding legal retirement age, ETUC rejects the idea that national parliaments should hand over their regulatory competence to mathematical formulas referring to criteria such as average life expectancy. There is need for debate and discussion before changing the legal retirement age. Such a process must involve the social partners at national level.

A very positive element of the Report is its emphasis on good labor market integration of those of working age as a precondition for decent old-age protection. ETUC insists that policy responses to working longer must include fighting unemployment, improving working conditions and access to lifelong learning across all ages. It has to be noted in this context, that fostering active ageing is one of the key priorities in the 2015-2017 work programme of the European Social Partners.

As stated in the Report, special attention has to be paid to older women and men, who for personal or work related reasons are unable to remain in the labor market up to the statutory retirement age. The ETUC, furthermore, claims that arduous working conditions must be taken into account.

The findings of the Report clearly prove the necessity to reverse the downward trend of benefit levels in public schemes and the necessity to safeguard and strengthen the first pillar. Benefits from public schemes need to reach a level which ensures a decent living standard. Occupational pension schemes based on collective agreements are very important in many Member States to supplement public pensions. Yet, they cannot take their place.

The Report correctly notes that the prospect of the current low interest rates being maintained over a long period represents a major challenge for all prefunded schemes and that, in many such schemes, there is need for more cost-effectiveness, safety and transparency.

Regarding the Report's proposals for future activities and for preparing the Adequacy Report 2018, the ETUC expresses its interest in all issues mentioned. This is particularly true as regards the stated intention to investigate in more depth those population groups identified as at risk of suffering from insufficient incomes in old age and the intention to focus on prevention measures that enhance the employment opportunities of older workers.

Further aspects of continuous discussion should be around the right balance between years spent in work and years spent in retirement. The ETUC wants to reiterate its conviction that the increase of the effective retirement age should be the focus of any political effort to keep people longer in employment in good health. A revised definition of the indicator 'average duration of working life' could be envisaged.

Annex 9. Views of the AGE Platform Europe, a member of the Social Platform

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Brussels, 23 September 2015

AGE Platform Europe comments on the 2015 Pension Adequacy Report in view of informing the debate at the EPSCO on 5th of October 2015

On behalf of AGE Platform Europe and our members, we thank you for the opportunity to submit the present note in addition to the key concerns and recommendations on pension adequacy – raised during the informal meeting between Social Platform and the Social Protection Committee on 17-18 September 2015 in Luxembourg. We hope that our contribution will be found useful for the further debate on the 2015 Pension Adequacy Report and for the SPC key messages to the upcoming Employment, Social Policy, Health and Consumer Affairs Council (EPSCO) on 5 October 2015.

AGE congratulates the Social Protection Committee (SPC) for its comprehensive stocktaking of adequacy challenges identified in the report and proposed for further consideration in EU and national debates on pension reforms. The recent Pension Adequacy Report brings a complementary perspective to the 2015 Ageing Report 2015 drafted by the Economic Policy Committee by providing a very useful assessment of the social dimension in pension reforms.

We welcome your efforts to address the issue of pension adequacy since so far little attention has been paid to the impact of pension reforms on social realities faced by older people. According to our members' feedback in several Member States current reforms will have a significant cumulative negative impact on the living standards of current and future pensioners.

Therefore, AGE strongly supports SPC efforts to bring the issue of pension adequacy on the table and warns national policy makers against further pension reforms aimed exclusively at ensuring more financial sustainability. While AGE members acknowledge the need to reform, the aim should be to make pension systems more efficient in ensuring an adequate income in old age, fairer to all generations and population groups, including women, and affordable for all.

The current exclusive focus on pension sustainability starts to affect significantly older people's fundamental rights. Within the European Semester, any recommendation on fiscal consolidation, structural reforms and modernisation of social protection should respect Member States' endeavour to reform their pension systems to achieve better adequacy for all, fight against old age poverty and combat gender inequalities in old age.

We recommend that more attention is paid to:

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1. The gender pay, career and pension gaps

We are pleased that gender and employment related issues have received due attention in both the 2015 Ageing Report and SPC key messages. We would like however to urge national governments to come with further measures to effectively combat the aggravated discrimination faced by older women and address the unacceptably high gender pension gap, currently standing at almost 40% in the EU. In addition to measures needed to support employment of women of childbearing age, it is also urgent to introduce measures to help older women remain in the labour market until statutory retirement age. This means that measures to help workers reconcile work and family care duties should not be limited to increasing childcare offer but should also increase eldercare facilities to cover all informal care workers' needs. Yet, with the current austerity context, both child and eldercare are sectors where cuts are introduced to reduce public budget deficit. Such austerity measures have a direct detrimental impact on women and force mainly older women to retire earlier than wished. Therefore, AGE Platform calls on Member States and Commission to:

- Enforce gender pay and career equality through employment-related measures such as investment in child and eldercare – in order to ensure an adequate retirement income for women in the future;
- Introduce transitional measures to address the unacceptable gender pension gap affecting currently older women, in particular the very old;
- Enhance equality in access to pension rights for all, by monitoring the implementation of the EU Directives 2000/78 and 2006/54 and through the Europe 2020 framework to combat more effectively age and gender discrimination faced by older women in employment;
- Adopt a carer's leave directive to better accommodate career breaks for anyone who needs to provide informal care for a young child, a disabled relative or older dependent parent.

2. Align statutory retirement age to the healthy life expectancy

If adjustment mechanisms are to be introduced to follow gains in life expectancy, AGE calls on Member States to:

- Link statutory retirement age to the healthy life expectancy rather than life expectancy. Life expectancy increases in the EU, but the healthy life year indicator is not increasing in parallel and is even decreasing in some countries. Between 2010 and 2013, healthy life years indicator reduced by 1.1 years for women and 0.4 years for men on average in the EU. As mentioned in DG SANTE website, Healthy Life Years is a solid indicator to monitor health as a productivity/economic factor.

3. Strengthen pensions adequacy to guarantee access to affordable services

Whilst pensions are being reduced in many member states, out-of-pocket health care costs are increasing. Consequently, not only low and medium-income pensioners struggle to access quality health and LTC because their pension is no longer sufficient to cover essential services such healthcare. There erosion of pensioners' income has been accelerated due to the rolling back in the provision of many social services. AGE calls on Member States to:

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- Preserve universal access to affordable social services (including health and long-term care) in order to avoid that pensioners have to choose between eating and care. Older people's well-being and dignity are at stake in some countries;
- Increase public investment in child and eldercare services to support employment of workers of all ages who have informal caring duties;
- Develop reference budgets for older people to better assess pension adequacy at different ages and assess the affordability of the services one needs to live and age in dignity (across the whole life span);
- For the population over 65 years, reference budgets should be broken by gender and age in order to prevent the "feminisation" of poverty in old age and the income erosion among the oldest old.

4. Protect consumers in the decumulation phase of their supplementary pension pot

In the last decade there has been a strong shift from DB to DC schemes and most of DC schemes have only started to pay out pension pots a few years ago. The market has reacted by developing decumulation products that have become too complex to enable ordinary older consumers to make a sensible choice on their own about what to do with their pension savings.

Annuities are the most important and de facto the most common way of decumulating one's pension savings – at the same time being the least transparent features of supplementary pensions. There are obvious signs that the annuities markets are "dysfunctional" from the consumers' perspective. AGE calls on Members States to:

- Improve annuity markets in terms of simplicity, standardisation, transparency, cost-efficiency and transferability of contract (switching) in order to provide better services to consumers in the decumulation phase;
- Monitor pension decumulation practices and ensure that consumers are adequately informed and protected against misselling. While annuity products have been criticized, there are also substitute or replacement strategies (asset management based products, income drawdown products, home equity release schemes, property investments etc.) which involve considerable risks for retirees and uncertainties tied to low transparency, lack of independent advice on individualized mix of products in retirement, blurred fee structure and outcome certainty.

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About AGE Platform Europe

AGE Platform Europe is a European network of organisations of seniors and representing over 40 million older people in Europe. AGE aims to voice and promote the interests of the 190 million citizens aged 50+ in the European Union and to raise awareness of the issues that concern them most. www.age-platform.eu