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## Committee on Social Affairs, Health and Sustainable Development

### **Survey on European pension systems, launched on 24 January 2012 by the Parliamentary Assembly, via the European Centre for Parliamentary Research and Documentation**

The Committee on Social Affairs, Health and Sustainable Development of the Parliamentary Assembly of the Council of Europe is preparing a report on « Decent pensions for all following the economic and financial crisis » (working title). The report will be submitted for approval to the committee in March 2012, and for debate during the PACE plenary part-session of April 2012.

The report aims at identifying good national practices in the Member States of the Council of Europe, which are meant to guarantee the sustainability of pension systems, and provide a decent level of pensions for all. In a general context of the ageing of the European population and, more recently, of the economic and financial crisis, numerous Member States had to implement important reforms of their pension systems. Although the States face similar demographic and economic constraints, the reforms implemented are different from one system to another depending on the national context.

This political report by the Parliamentary Assembly, is based, amongst others, on important work recently published in this field: the report "Pensions at a Glance 2011" of the OECD, the Green Paper on the Future of Pensions published by the European Commission in 2010, but also the reports by the "Conseil d'Orientation des Retraites" (pensions advisory board – COR) in France. However, some of this work remains relatively general as far as recent and ongoing evolutions of European pension systems are concerned, whilst others have already been overtaken by the most recent developments.

To have a precise and up-to-date overview of the different national evolutions concerning the pension systems, the Committee on Social Affairs, Health and Sustainable Development would be grateful if you could reply to the following questions in the best possible time.

**1) Structure of the pension system**

Which pillars constitute the structure of the pension system in your country?

Pillar n°1:.....

Pillar n°2:.....

Pillar n°3:.....

According to the number of pillars indicated, please cross the adequate criteria corresponding to each pillar in the following table, and provide any further relevant information:

Criteria	Pillar n°1	Pillar n°2	Pillar n°3	Further information
<b>Management of the scheme:</b>				
Public				
Private				
<b>Membership criteria:</b>				
Voluntary				
Mandatory				
<b>Procedures for determining the size of a future pension benefit:</b>				
Pay-as-you-go				
Funded				
<b>Other</b>				

**2) Reform(s) of the pension system**

Since 2005, has your country implemented one or several reform(s) of the pension system? If so, what are the most recent reforms already or soon to enter into force?

**3) “Levers” used by the last reform**

To improve the sustainability of the pension system and pension adequacy, what are the “levers” used by the last reform in your country?

- level of contributions
- duration of contributions
- age of retirement
- level of pensions
- subsidies for private pensions
- restructuration of the pillars
- others: .....
- .....

Please provide further information concerning the instruments mentioned:

.....

**4) Legal age of retirement**

What is the legal age for retirement with a full-rate pension?

- in 2012 : for women:  
for men:
- in 2020 : for women:  
for men:

- in 2030 : for women:  
for men:

**5) Exceptions to the legal age of retirement**

Are there exceptions for specific professions (e.g. for the military/police/firemen/others)? If yes, please mention the professions concerned, and add the legal age for these professions.

**6) Average age of retirement**

What is the average age for retirement in 2011 (or, if these data are not yet available, in 2010)?

- for women:
- for men:

## Results of the survey on European pensions systems

### Background:

In the framework of the preparation of the report on "Decent pensions for all following the economic and financial crisis" by Mr Denis Jacquat (France, EPP/CD) as rapporteur, the Committee on Social Affairs, Health and Sustainable Development of the Parliamentary Assembly of the Council of Europe, on 23 January 2012, launched a survey via the European Centre for Parliamentary Research and Documentation (ECPRD). The aim of this survey was to have a precise and up-to-date overview of different national developments concerning pension systems.

Until the end of February 2012, replies from **31 parliaments** were received: Albania, Andorra, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Estonia, Denmark, Finland, France, Germany, Greece, Hungary, Iceland, Italy, Latvia, Lithuania, the Netherlands, Norway, Poland, Portugal, Republic of Moldova, Romania, Slovak Republic, Slovenia, Sweden, Switzerland, "the former Yugoslav Republic of Macedonia" and Ukraine. Canada, Observer State to the Council of Europe, also replied to the questionnaire. The quantitative results of the request are presented in the table below, whilst qualitative data about the recent reforms have been included into the explanatory memorandum and are also available in the information document AS/Soc/Inf (2012) 06 Bil for any delegation interested in "good practice" examples from other countries.

Council of Europe Member States	Number of pillars	Levers used by the last reform of the pension system	Legal age of retirement				Average age of retirement	
			In 2020		In 2030		Date to be determined according to the available data	
			Women	Men	Women	Men	Women	Men
Albania	3	Level of pensions and level of contributions	60	65	N/A	N/A	N/A	N/A
Andorra	2	Level of contributions and level of pensions	65 <sup>1</sup>	65	65	65	65 (2011)	65 (2011)
Belgium	3	No specific rules concerning the levers of the reform of the pension system	65	65	N/A	N/A	61,9 (2009)	61,2 (2009)
Bulgaria	3	Duration of contributions, age of retirement, subsidies for private pensions, restructuring of the pillars	60,4 (the age of 34,4 years of pensionable service) <sup>2</sup>	63,4 (the age of 37,4 of pensionable service)	63 (37 years of service)	65 (40 years of service)	61 (2010)	64,2 (2010)
Croatia	3	N/A	60 and 6 months	65	65	65	No separate data for women and men <sup>3</sup>	No separate data for women and men
Cyprus	3	Level of contributions, duration of contributions, age of retirement, level of pensions, restructuring of the pillars	63 for civil servants (65 for others)	63 for civil servants (65 for others)	N/A	N/A	N/A	N/A
Czech Republic	3	Level of contributions, duration of contributions, age of retirement, level of pensions, subsidies for private pensions, restructuring of the pillars	65 (or depends on number of children)	65	65 (or depends on number of children)	65	59.6 (2009)	61.5 (2009)

<sup>1</sup> However, according to the law, a person (a woman or a man) can retire at the age of 72 if he/she wants.

<sup>2</sup> In Bulgaria, the age completed has no significance to receive a pension, but acts cumulatively with the required insurance, as indicated above. There are no current plans to increase the age achieved in 2020 retirement age and pensionable service.

<sup>3</sup> Average period of years of service of the old age pension beneficiary is 32 years.

Council of Europe Member States	Number of pillars	Levers used by the last reform of the pension system	Legal age of retirement				Average age of retirement	
			In 2012		In 2030		Date to be determined according to the available data	
			Women	Men	Women	Men	Women	Men
Denmark	3	Age of retirement and restructuration of the pillars	65 <sup>4</sup>	65	67	67	63 (2011)	63 (2011)
Estonia	3	Age of retirement	60-63 <sup>5</sup>	63	65 <sup>6</sup>	65	62,5 (2009)	62,5 (2009)
Finland	3	Age of retirement and restructuration of pillars	Between 63 and 68	Between 63 and 68	Between 63 and 68	Between 63 and 68	60.5 (2011)	60.4 (2011)
France	3 <sup>7</sup>	Age of retirement mainly	60 and 9 months <sup>8</sup>	60 and 9 months	67 <sup>9</sup>	67	62,16 (2011)	61,66 (2011) <sup>10</sup>
Germany	3	Age of retirement	65 and 1 month	65 and 1 month	66 and 10 months	66 and 10 months	63,3 (2010)	63,8 (2010)
Greece	3	Age of retirement, level of pensions and duration of contributions	59 <sup>11</sup>	59	60 <sup>12</sup>	60	61,5 (2009)	61,5 (2009)

<sup>4</sup> This is only old-age pension. For all other pensions it might be earlier. In 2012 a Danish citizen can have early retirement pension from 60 years old until he/she reaches the age for having old-age pension. A Danish citizen born before 1953 can have old age pension when he/she is 65 years old. For every Danish citizen born later the pension age is 67.

<sup>5</sup> Persons who have attained 63 years of age and whose pension qualifying period earned in Estonia is 15 years have the right to receive old-age pension. In order to gradually make the pensionable age of men and women equal, the right of women to receive old-age pension before attaining 63 years of age varies according to the date of birth.

<sup>6</sup> On April 7, 2010, the Riigikogu (Estonian Parliament) adopted the Act to amend the State Pension Insurance Act and the related acts, providing the general pensionable age of 65 years. The transition period, starting from 2017 is provided for the people, who were born from 1954 to 1960. For those people, the retirement age will be gradually increasing by 3 month for every year of birth, and reaches the age 65 in 2026. The amendment shall take effect on 01.01.2017.

<sup>7</sup> If the classification by pillars of the pension systems does not match perfectly to the French pension system, it is nevertheless possible to define three main components in the French system.

<sup>8</sup> The retirement age is 60 and 9 months in 2012 for the generation 1952 (and 65 and 9 months in 2017 for a full-rate pension, if the insurance period is not full).

<sup>9</sup> The retirement age is gradually raised and will be 62 in 2018 – generation 1956 (and 67 years old in 2023). The rapid evolution of the question of the retirement age makes every projection for 2030 very uncertain.

<sup>10</sup> For the general regime.

<sup>11</sup> In 2012, the legal retirement age for employees (women and men) (general regime) is 59 years having 11.100 working days (37 years). Otherwise, it is 65 years old. For the non-employees (women and men) (OAEE), having 37 working years, the age is 60 years. Otherwise, the age is 65 years.

<sup>12</sup> In 2020 et 2030, for women and men, having 40 working years, the age is 60 years, otherwise it is 65.

Council of Europe Member States	Number of pillars	Levers used by the last reform of the pension system	Legal age of retirement				Average age of retirement	
			In 2012		In 2030		Date to be determined according to the available data	
			Women	Men	Women	Men	Women	Men
Hungary	3	Level of contributions, duration of contributions, age of retirement, subsidies for private pensions, restructuration of the pillars	62	62	65	65	58,6 (2009)	60,0 (2009)
Iceland	3	Level of contributions	67 <sup>13</sup>	67	N/A	N/A	N/A	N/A
Italy	2	Age of retirement and level of pensions	62 <sup>14</sup>	66	67	67	Depends on retirement pension or old-age pension <sup>15</sup>	Depends on retirement pension or old-age pension
Latvia	3	N/A	62	62	62 <sup>16</sup>	62	N/A	N/A
Lithuania	3	Age of retirement and level of pensions	60 and 4 months	62 and 8 months	65	65	61,7 (2010)	62,0 (2010)
Netherlands	3	Age of retirement, level of pensions, level of contributions, duration of contributions.	65	65	67	67	62,5 (2010)	62,5 (2010)
Norway	3	Level of pensions, flexible retirement, life expectancy adjustment of pensions, and indexations of pensions	67 <sup>17</sup>	67	67	67	63,2 (2010)	63,9 (2010)
Poland	3	Age of retirement, subsidies for private pensions, restructuration of the pillars	60	65	60	65	59 (2010)	60,2 (2010)

<sup>13</sup> Furthermore, 40 years of residence in Iceland between ages of 16 to 67 years give full old age pension. Other incomes decrease the sum.

<sup>14</sup> In 2012, 66 years old for the state employees women workers.

<sup>15</sup> For *retirement* pension in 2010: 58,3 for employees workers (58,5 men; 57,5 women); and 59,1 for self-employed workers (59,3 men; 58,3 women). For *old-age* pension in 2010: 62,3 for employees workers (65,4 men; 60,8 women); and 63,3 for self-employed workers (66,2 men; 61,6 women).

<sup>16</sup> It is planned to gradually raise the retirement age to 65 years for men and women.

<sup>17</sup> Norway has introduced flexible retirement between 62 and 75 years (for women and men) from 2011. The annual pension increases the longer a person postpones retirement. The term « full-rate pension » does therefore not have the same meaning as in the old system with a more fixed retirement age of 67. The retirement age in the public pension system in Norway was 67 years until 2010, and 67 years is still the retirement age for receiving the minimum pension granted to people with little or no work experience.

Council of Europe Member States	Number of pillars	Levers used by the last reform of the pension system	Legal age of retirement				Average age of retirement	
			In 2012		In 2030		Date to be determined according to the available data	
			Women	Men	Women	Men	Women	Men
Portugal	3	Level of contributions, duration of contributions, age of retirement, level of pensions	65 <sup>18</sup>	65	65	65	62,5 (2011)	61,8 (2011)
Republic of Moldova	1	Level of contributions, duration of contributions, age of retirement	57	62	57	62	57 (2011)	62 (2011)
Romania	3	Duration of contributions, age of retirement, level of pensions	59,3 to 59,5 (depending on the date of birth)	61,3 to 61,5 (depending on the date of birth)	63	65	56,3 (2011)	58,3 (2011)
Slovak Republic	3	Level of contributions, duration of contributions, age of retirement, level of pensions, subsidies for private pensions, restructuration of the pillars	59-60 (according to the number of children)	62	62 <sup>19</sup>	62	57 (2010)	60,5 (2010)
Slovenia	3	Age of retirement, level of pensions, subsidies for private pensions, restructuration of the pillars	61	63	61	63	58 and 5 months (2011)	61 and 10 months (2011)
Sweden	3	Introduction of the automated balancing mechanism	61 (2 <sup>nd</sup> pillar) / 65 (1 <sup>st</sup> pillar) <sup>20</sup>	61 (2 <sup>nd</sup> pillar) / 65 (1 <sup>st</sup> pillar)	N/A	N/A	62,7 (2011)	63,7 (2011)
Switzerland	3	Level of contributions	64 <sup>21</sup>	65	N/A	N/A	63,5 (2004-2009)	65,7 (2004-2009)

<sup>18</sup> For women and men having 40 years of service, the legal age for retirement is 65.

<sup>19</sup> It is planned to gradually extend the retirement age to 65 for women and men.

<sup>20</sup> It is possible to start drawing the earnings-related income pension from the age of 61, for both sexes. The minimum Guarantee pension is possible to draw from 65.

<sup>21</sup> The age mentioned above for women and men concerns the first pillar.



Council of Europe Member States	Number of pillars	Levers used by the last reform of the pension system	Legal age of retirement				Average age of retirement	
			In 2012		In 2030		Date to be determined according to the available data	
			Women	Men	Women	Men	Women	Men
"The former Yugoslav Republic of Macedonia"	3	Level of contributions	62	64	62	64	58	59
Ukraine	3	Level of contributions, duration of contributions, age of retirement, level of pensions, restructuring of the pillars	55,5	60	60	60 (62 for civil servants)	50	50
<b>Observer States to the Council of Europe</b>								
Canada	3	Age of retirement, level of pensions	No legal retirement age <sup>22</sup>	See note 23	See note 23	See note 23	61,5 (2011)	63,3 (2011)

<sup>22</sup> There is no legal retirement age in Canada. The mandatory retirement age was revoked in December 2011 by the *Keeping Canada's Economy and Jobs Growing Act* (Bill C-13). As of December 2012, no federally regulated employee can be forced to take retirement at age 65 (see s.165 of Bill C-13; see the original *Canadian Human Rights Act's* section 9(2) and section 15(1)(c)). The OAS benefits begin at age 65: please note that it is likely that this age will be changed after March 2012 (once a reform is undertaken); it is possible that the age will become 67 but it is unknown if this age will come into effect before or after 2020. The CPP benefits can begin between the ages of 50 to 70, depending on various criteria (age, years of service, disability, deferral, ...).