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Committee on Social Affairs, Health and Sustainable Development

Results of the survey on European pension 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 Request 1914). 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 March 2012, replies from **32 parliaments** were received: Albania, Andorra, Austria, 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 (see below).

The quantitative results of the request, presented in the table below (document 1), and the qualitative data about the recent reforms (document 2) have been included into the explanatory memorandum and are also available on the PACE Extranet.

Questionnaire

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
Management of the scheme:				
Public				
Private				
Membership criteria:				
Voluntary				
Mandatory				
Procedures for determining the size of a future pension benefit:				
Pay-as-you-go				
Funded				
Other				

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:

Document 1: Quantitative replies to the survey country by country

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 ¹	65	65	65	65 (2011)	65 (2011)
Austria	3	Level of contributions, age of retirement and level of pensions	60	65	63.5	65	57.1 (2010)	59.1 (2010)
Belgium	3	No specific rules concerning the levers o 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) ²	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 ³	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)

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

² 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 achieved in 2020 retirement age and pensionable service.

³ 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 ⁴	65	67	67	63 (2011)	63 (2011)
Estonia	3	Age of retirement	60-63 ⁵	63	65 ⁶	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 ⁷	Age of retirement mainly	60 and 9 months ⁸	60 and 9 months	67 ⁹¹⁰	67	62,16 (2011)	61,66 (2011) ¹¹
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 ¹²	59	60 ¹³	60	61,5 (2009)	61,5 (2009)

⁴ 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.

⁵ 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.

⁶ 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.

⁷ 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.

⁸ 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).

⁹ The retirement age is gradually raised and will be 62 in 2018 – generation 1956 (and 67 years old in 2023).

¹⁰ The rapid evolution of the question of the retirement age makes every projection for 2030 very uncertain.

¹¹ For the general regime.

¹² 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.

¹³ 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 ¹⁴	67	N/A	N/A	N/A	N/A
Italy	2	Age of retirement and level of pensions	62 ¹⁵	66	67	67	Depends on retirement pension or old-age pension ¹⁶	Depends on retirement pension or old-age pension
Latvia	3	N/A	62	62	62 ¹⁷	62	N/A	N/A
Lithuania	3	Age of retirement, level of pensions, and subsidies for private 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 ¹⁸	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)

¹⁴ Furthermore, 40 years of residence in Iceland between ages of 16 to 67 years give full old age pension. Other incomes decrease the sum.

¹⁵ In 2012, 66 years old for the state employees women workers.

¹⁶ 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).

¹⁷ It is planned to gradually raise the retirement age to 65 years for men and women.

¹⁸ 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 ¹⁹	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 ²⁰	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 nd pillar) / 65 (1 st pillar) ²¹	61 (2 nd pillar) / 65 (1 st pillar)	N/A	N/A	62,7 (2011)	63,7 (2011)
Switzerland	3	Level of contributions	64 ²²	65	N/A	N/A	63,5 (2004-2009)	65,7 (2004-2009)

¹⁹ For women and men having 40 years of service, the legal age for retirement is 65.

²⁰ It is planned to gradually extend the retirement age to 65 for women and men.

²¹ 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.

²² 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, restructuration of the pillars	55,5	60	60	60 (62 for civil servants)	50	50
Observer States to the Council of Europe								
Canada	3	Age of retirement, level of pensions	No legal retirement age ²³	See note 23	See note 23	See note 23	61,5 (2011)	63,3 (2011)

²³ 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, ...).

Document 2: Presentation of recent reforms of pensions systems country by country (according to English alphabetical order)

ALBANIA

❖ Structure of the pension system

PILLAR N°1: Compulsory insurance providing old age, disability pension and survivors' pensions, based on the principle of generations solidarity.

PILLAR N°2: A second pillar is envisaged to be implemented in the Republic of Albania in the future. For this purpose, a working group was established with representatives from all stakeholders and experts of political parties both in power and opposition.

PILLAR N°3: Voluntary insurance providing individually capitalized pensions.

❖ Reform(s) of the pension system

- 1) In 2006, it was reduced by 9%, from 38.5% to 29.5%, aiming at reducing work in the dark and increasing the number of contributors in the social insurance scheme. In 2009 the social insurance contribution rate was reduced by 5%, from 29.5% to 24.5%. The contribution rate reduction was carried out in stages, in view of the contribution collecting performance and the financial sustainability improvement of the social insurance system.
- 2) Equalization of rural pensions with urban pensions in 2012. For the new pensions the gradual equalization will be achieved in 2012. This reform increases the expenditures of the social insurance system, consequently adversely affecting the system's financial situation.*
- 3) The extension of social insurance coverage for the following categories;
 - Albanian nationals and stateless persons, former Albanian nationals who are residents abroad, in accordance with conventions, bilateral agreements and the regulation of the Social Insurance Institute.
 - Foreign nationals and stateless persons who work in Albania.
- 4) Also, in 2009, homeworkers and carers of para- and tetraplegic persons, who need care and to be looked after, were included in the groups who benefited from the social insurance coverage.
- 5) Consolidation of the voluntary pension scheme (third pillar). During 2009, Law No. 10 197/2009 was issued and approved.

❖ **“Levers” used by the last reform:** level of contributions²⁴ and level of pensions²⁵.

❖ **Exceptions to the legal age of retirement:** there are exceptions for professions in the first and second category of works as miners, aviators, heavy industry, some occupations in education, culture, military industry, chemical industry, metallurgy, etc.

ANDORRA

❖ Structure of the pension system

PILLAR N°1: public pension system through the workplace affiliation. As Andorran resident, every worker pays a mandatory percentage of 10% to the public pension system, depending on the salary. Apart from that percentage, there is the possibility to contribute an extra 5% voluntarily.

PILLAR N°2: individually private pensions. Private companies offer alternate voluntary pension systems.

²⁴ Reduction of labour costs for formal businesses; formalization of the informal economy; addition of contributors in the scheme by promoting employment; declaration of the real wage due to social insurance contributions. This reform did not have any negative impact on the financial situation of the system, since the contributions reduction was compensated with the increase in the number of contributors and the declaration of the employer's real wages.

²⁵ According to the Social Insurance Law, the basic pension is indexed every year with the changes of the price index of the selected goods, is annually established by Decision of Council of Ministers.

❖ Reform(s) of the pension system

There were two reforms in the Andorran pension system in 2006 and 2008, promoted by the 2 main parties, to make the system sustainable, consisting mainly on raising the percentage of contribution. However, after 4 years since the law was approved, the system is still deficit and more an uncertain reforms are being negotiating now between parliamentary groups.

- ❖ “Levers” used by the last reform: level of contributions and level of pensions.
- ❖ Exceptions to the legal age of retirement: police, firemen, environmental agents and some other public servants are forced to retire at the age of 60. They can also retire at the age of 55 if they have served the State for at least 25 years.

AUSTRIA

❖ Structure of the pension system

PILLAR N°1: public, mandatory and pays-as-you-go pillar (the most important pillar).

PILLAR N°2: private, voluntary, funded.

PILLAR N°3: private, voluntary, funded.

❖ Reform(s) of the pension system

1) More recent reforms were – when compared with the ones of the early 2000s –of only gradual character. Reforms legislated in **2009** or later at first instance dealt with a) an adaptation of different forms of early retirement and with b) indexation of benefits.

a) Regarding the first point, the following reforms are the most important:

- Older long-term unemployed people who would have been entitled to draw an early pension before the pension reform of 2003 (“early retirement on account of unemployment”; see above), may demand the so-called transitional allowance (a benefit within unemployment insurance; “*Übergangsgeld*”, which is 25% higher than normal unemployment benefits. This rule was originally planned to expire in 2009, but now will be phased-out until 2015 instead of an immediate abolishment (see Fink 2010, 7f. for more details).
- In 2010, changes were decided regarding early retirement due to “very long insurance periods” and invalidity pensions. Regarding the first, access was substantially tightened by increasing the respective minimum age, more rigid rules regarding the recognition of “substitutional insurance periods” (*Ersatzzeiten*), the abolishment of the opportunity of post-purchasing insurance periods (for times of school and university studies) and deductions for this type of early retirement (to be implemented as from 2014) were introduced. Concerning invalidity pensions, access may now only be granted if the working ability could not be restored by preceding rehabilitation measures, which are now mandatory, but which were of optional character before. Furthermore, within the scheme of invalidity pensions, regulations on so-called “vocational protection” (*Berufsschutz*) have been changed to some degree, whereby access to invalidity pensions was somewhat tightened for white-collar employees and skilled workers. But at the same time access to invalidity pension was somewhat eased for unskilled workers via the introduction of “hardship provision” (*Härtefallregelung*), which is, however, planned to expire in 2015.

b) Concerning **indexation** following decisions were taken:

- In 2010, pensions were valorised according to the pensioners’ adjustment index, but pensioners eligible to rather low benefits also received an additional one-time lump sum payment of up to a maximum of 4.2% of the monthly benefit.
- In 2011, only pensions up to a level of EUR 2,000 gross per month were valorised according to the pensioners’ adjustment index. Indexation decreased according to a linear scale for pensions between EUR 2,000 and EUR 2,310 and pensions above EUR 2,310 were not subject to any indexation in 2011.

- In 2012, most pensions were valorised according to the pensioners' price index. Only for very high pensions above the level of EUR 3,300 gross per month a reduced indexation applies.

One other reform worth mentioning (decided in 2009) is that the state now covers contributions to old-age insurance of caring family members who decide to opt-in to old age insurance as from level three of long-term care benefits²⁶. Before, this only applied in case of long-term care benefits of level five and above. This means that the group of caring family members whose contributions for old-age insurance are covered by the state (if they opt-in to old-age insurance) has been expanded.

Regarding the second ("new severance pay scheme") and the third pillar (occupational pensions and "premium-aided pension savings scheme") no or only minor changes occurred. Regarding the "premium-aided pension savings scheme" (where - rather limited - public subsidies are planned to encourage investment in private pension schemes), respective schemes originally had to invest at least 40% of the savings in the stock market. In 2009, this share was reduced to a level between 15% and 30% (depending on the age of the account holder). The intention was to offer the option of less risky investments within this scheme (especially for older people) by reducing the minimum quota of investment in the stock market.

2) Reform of 2012

In March 2012 a further major pension-reform was passed by the Austrian parliament: this reform undertook on the one hand further incremental steps that are in line with the reforms of the last decade and which will lead to the following new legislation:

- The valorisation of the pensions is still according to the overall consumer price indexation, but the valorisation will be substantially lower than this index in the years 2013 and 2014;
- The contribution – rates for self-employed persons will be stepwise increased in the years 2012 till 2015. The ceiling for the gross earnings, up to which contributions have to be paid, will be additionally increased in one incremental step in 2013;
- The yearly deduction for the so called pre-retirement scheme "corridor-pension" will be raised from 4,2 % to 5,1 % from 2017 onwards;
- The eligibility criteria for the so-called "corridor-pension" and the phased out "long-term insurance pension" will be stepwise increased from 37.5 to 40 years in the period 2013 until 2017;
- Concerning the disability – pensions the eligibility criteria for skilled blue-collar workers and for self-employed persons are worsened: the privileged entry-age of 57 years will stepwise increase to 60 in 2017.

But on the other hand the most important legislative changes of the reform 2012 concern the new calculation formula for the pension – benefits:

- The 2005 harmonized pension system brought a new individual pension – account, which is more or less a notional account of a defined benefit-type: according to the formula 80/65/45 it should guarantee a gross replacement-rate of 80% of the lifetime-average earnings at the age of 65 when having 45 insurance years: but this new formula applies only to persons, born 1.1.1955 and later, and having no contributory – periods prior to 2005.
- On the other side, persons born prior to 1.1.1955 are completely in the "old-system" due to the reform 2004: they have no parallel-calculation concerning the benefit formula.
- The generation in between, born 1.1.1955 and later and having insurance periods before 2005, is subject to the so-called parallel-calculation: this means that the old-regime would be – at least partly – in effect up to the year 2050: this complex benefit – calculation formula prohibits a clear individual information of the accrued pension-entitlements and their future prospects.

²⁶ Long-term care benefit is a seven-levels-category, needs-compliant benefit. It is granted at seven different benefit levels – the higher the amount of care needed, the higher the level of benefits.

The **2012 reform** abolishes the “parallel-calculation” and shifts the corresponding – group solely into the individual pensions –account scheme:

- All pensions – rights accrued until 31.12.2013 are calculated per 1.1.2014 according to the parallel-calculation and this (fictitious) pension is transferred as a “starting – entry” to the individual account.
- From 2014 on, 1,78 % of the yearly contribution-base is added to this amount. Additionally, a yearly valorisation according to the increase of the overall average contribution – base takes place.
- When retiring, the yearly pension equals the accrued amount of the pension-account.

The aim of this reform is to give a clear and transparent signal and a regular information to the insured person, that working longer leads to a substantial rise of the accrued pension entitlement. As an important by – product, this reform should decrease the gap in pensions between white-collar and blue-collar workers and also between male and female pensioners.

Concerning the second-pillar pensions, special regulations had to be enforced in the tax-system too: to compensate the current pensioners and persons, which will retire in the near future, for the decrease of their pensions (their future pension entitlements) due to the negative performance of the capital-markets, a special tax regulation went into power. This regulation will lead to an overall higher net second-pillar pension, if and only if, the pensioner pays a part of the future tax in advance (“Vorwegbesteuerung”).

- ❖ **“Levers” used by the last reform:** level of contributions, age of retirement, level of pensions.
- ❖ **Exceptions to the legal age of retirement:**

“**Heavy labour pension**” (Schwerarbeiterpension) – in force since 1.1.2007

The general prerequisite is that insurance periods total 45 years and that out of the last 20 years before retirement at least 10 years were spent working in jobs defined as “heavy labour”, the definition of which is determined according to detailed criteria. The deduction per year is 1.8%. This form of early pension is only of minor significance up to now and only used by men, as the general statutory retirement age for women is 60 years anyhow.

BELGIQUE

❖ **Structure du système de retraites**

PILIER N° 1 : les pensions légales.

PILIER N° 2 : les pensions complémentaires ou assurances-groupe.

PILIER N° 3 : l'épargne-pension individuelle.

❖ **Réforme(s) du système de retraites**

De nombreuses décisions relatives à la réforme des pensions ont été prises en décembre 2011 (adoptées par voie législative, les mesures d'exécution devant être adoptées pour l'essentiel au 1er trimestre 2012) :

- 1) l'âge minimum de la pension anticipée est progressivement porté à 62 ans (60 ans jusqu'ici), et ce, tant dans le régime privé que dans le régime public. La durée de la carrière des personnes qui veulent prendre leur pension de façon anticipée, est portée à 40 ans (35 ans jusqu'ici, dans le régime privé et 5 ans dans le régime public). L'âge légal de la pension reste fixé à 65 ans ;
- 2) les pensions publiques, qui jusqu'ici étaient calculées en 60 tantièmes et dont les cinq dernières années de la carrière servaient de période de référence, sont adaptées afin de les faire davantage coïncider avec le régime de pension des travailleurs salariés dans le secteur privé : le nombre de tantièmes est abaissé à 48 au maximum et la période de référence devient les dix dernières années de la carrière. L'ancien calcul en tantièmes continue toutefois d'être appliqué pour les personnes qui ont 55 ans ou plus en 2012. Les modalités des adaptations, tout particulièrement en ce qui concerne

les mesures transitoires, font l'objet d'une concertation entre le gouvernement et les partenaires sociaux, qui doit déboucher sur des résultats à la fin du mois de février 2012 ;

- 3) un certain nombre de régimes de pension spécifiques, notamment des journalistes professionnels, du personnel navigant, dans lesquels le calcul s'opère aujourd'hui sur la base de tantièmes avantageux particuliers, sont adaptés : ces pensions sont désormais calculées en 48 tantièmes ;
- 4) les périodes assimilées, notamment pour les emplois de fin de carrière, sont désormais moins prises en compte dans le calcul de la durée de la carrière, avec toutefois une exception pour les prépensions accordées dans le cas d'entreprises en difficulté ou en restructuration ainsi que celles accordées dans le cadre de la convention collective de travail CCT n° 96 (56 ans et au moins 40 années de carrière) ;
- 5) un crédit-temps sans motifs ne pourra plus être pris que pendant un an.

Ces mesures ne s'appliquent pas aux personnes qui ont introduit l'une ou l'autre demande avant le 28 novembre 2011 : ces dernières continuent à bénéficier des anciens régimes. En cas de doute (par exemple au cas où quelqu'un aurait introduit une demande auprès de son employeur le 27 novembre 2011, demande que ce dernier n'aurait transmis à l'ONEm – Office National de l'Emploi – qu'en décembre 2011), la décision prise est en faveur du travailleur.

Les principales réformes entamées au cours de cette législature en matière de pensions sont les suivantes :

1) *Extension des pensions complémentaires*

Le régime de la pension légale ne suffit pas pour assurer à tous une retraite suffisante. Dans le régime de travailleurs salariés, la pension de retraite moyenne s'élève à 1 290 euros et la pension de survie moyenne n'atteint que 1 080 euros. Le premier pilier des pensions peut être renforcé lorsque le budget le permet mais le deuxième pilier, celui des pensions complémentaires constituées par les entreprises au bénéfice des travailleurs salariés, doit être étoffé. Deux problèmes majeurs se posent en ce qui concerne le deuxième pilier :

- beaucoup de personnes ne peuvent bénéficier que d'une pension complémentaire très limitée qui, associée à une petite pension légale, ne leur garantit pas suffisamment un revenu convenable ;
- 40 % de la population n'acquiert aucun droit à une pension complémentaire. Il s'agit surtout des personnes actives dans des secteurs financièrement moins florissants ou des titulaires d'emplois précaires (secteur non marchand, employés de PME, agents contractuels, etc.).

Pour régler ce problème, le gouvernement a formulé deux objectifs : il y a lieu d'accroître le nombre de bénéficiaires d'une pension professionnelle complémentaire (à terme, toute la population active devrait pouvoir en bénéficier) et de majorer les montants constitués. Ces objectifs seront concrétisés en concertation avec les partenaires sociaux, qui seront invités à prévoir des moyens pour les pensions complémentaires. Conformément à l'intention de maintenir la population plus longtemps dans la vie active, le taux d'imposition applicable aux pensions complémentaires qui sont prises à 60 ou 61 ans sera relevé.

2) *Accroître l'attractivité du travail après l'âge légal de la pension*

À partir de 2013, les personnes qui compteront au moins 42 années de carrière seront autorisées à travailler après l'âge légal de la pension sans que cela entraîne une réduction de leur pension. Les personnes qui compteront moins d'années de carrière pourront percevoir des revenus complémentaires jusqu'à un certain plafond, revenus auxquels s'ajoutera une pension réduite proportionnellement.

La condition de carrière prévue pour le cumul illimité en matière de travail et de pensions est nécessaire pour deux raisons :

- outre qu'elles prennent leur retraite à un âge plus avancé, les personnes qui ont travaillé plus longtemps ont plus d'années de carrière ;
- les personnes qui travaillent plus longtemps paient plus longtemps des cotisations de sécurité sociale et des impôts.

3) *Permettre de travailler plus longtemps*

Il y a lieu d'établir des plans pour l'emploi qui rendent l'embauche de travailleurs plus âgés plus attractive pour les employeurs sur le plan financier, et qui permettent aux plus de 50 ans de rester actifs plus longtemps, tant sur le plan physique que sur le plan mental. Jusqu'à présent, beaucoup trop peu de choses ont été faites pour concrétiser cela.

Dès lors que les augmentations de salaire sont généralement accordées aux membres du personnel en fonction de leur ancienneté, en Belgique, les travailleurs plus âgés coûtent, en moyenne, plus cher que les travailleurs plus jeunes. C'est pourquoi il y a lieu de réduire les charges salariales relatives à ce groupe cible grâce à des baisses de charges structurelles. Après l'exécution de la réforme institutionnelle convenue, cette politique ciblée relèvera des compétences des Régions. Cependant, dans l'intervalle, l'autorité fédérale doit prendre ses responsabilités, par exemple en optant pour une réduction ciblée ou pour une fixation différenciée des cotisations sociales relatives aux composantes des hauts revenus. Il existe d'ailleurs déjà des instruments qui peuvent être intégrés à cette politique, notamment le Fonds de l'expérience professionnelle et le programme de remise au travail "back to work" de l'INAMI (Institut National de l'Assurance Maladie-Invalidité).

Pour que les personnes restent effectivement plus longtemps au travail, les entreprises devront faire preuve de créativité et pourront, à cet effet, s'inspirer de plusieurs exemples pratiques :

- dans les usines où le travail est répétitif, la chaîne est ralentie pour les équipes de travailleurs plus âgés ;
- l'ergonomie du lieu de travail est astucieusement améliorée ;
- dans les entreprises du secteur de la construction, les collègues plus âgés assurent l'organisation d'un chantier plutôt que le travail matériel.

Lorsque des employeurs procéderont à des licenciements collectifs, ils devront respecter la pyramide des âges au sein de l'entreprise. S'ils ne respectent pas ce principe et qu'ils licencient, par exemple, surtout des travailleurs plus âgés, ils devront rembourser les réductions de cotisations de sécurité sociale dont ils ont bénéficié antérieurement.

4) *Réforme des pensions de survie*

Les 600 000 personnes qui perçoivent actuellement une pension de survie conserveront leurs droits. À la lumière de l'objectif général d'activation, il conviendra toutefois de réformer ce régime: pour l'instant, il fait en sorte qu'après le décès de leur partenaire, les personnes sont encouragées à rester dans une situation d'inactivité. Si le maître mot est l'activation de ce groupe, il sera cependant tenu compte de la durée de la carrière et du nombre d'enfants à charge.

En ce qui concerne les pensions de survie, l'accord de gouvernement ne contient qu'un cadre, qui sera concrétisé par le gouvernement, en concertation avec le Parlement et les partenaires sociaux. L'un des problèmes à examiner est la grande différence entre le régime des travailleurs salariés et celui des fonctionnaires.

5) *Réformes du bonus de carrière*

Dans le cadre du pacte des générations (n.b. : réforme intervenue en 2005), une composante d'âge et un bonus de pension ont été instaurés pour les personnes qui continuaient à travailler entre l'âge de 62 ans et l'âge de 65 ans. Cet outil d'activation est trop peu connu : seul 20 % de la population en a déjà entendu parler. Il permet pourtant d'augmenter la pension d'un montant conséquent. Les personnes qui exploitent entièrement les possibilités offertes par le bonus de pension en continuant à travailler entre 62 et 65 ans peuvent bénéficier d'une augmentation mensuelle de leur pension à concurrence de 150 euros.

L'incidence budgétaire du bonus de pension est considérable. Il est dès lors nécessaire d'adapter ce système. Ce point n'ayant pas été évoqué dans l'accord de gouvernement, des propositions doivent encore être élaborées sur lesquelles les partenaires sociaux et le Parlement auront à se prononcer.

6) *Suppression de l'unité de carrière*

La notion d' "unité de carrière" recouvre deux situations. Pour des raisons d'équité, ces deux formes seront supprimées.

Unité de carrière interne :

La durée maximum de la carrière étant de 45 ans, les personnes qui travaillent plus de 45 ans ne se constituent pas de droits de pension complémentaires. Cela va changer : une personne qui reste professionnellement active après 45 ans de carrière pourra continuer à se constituer des droits de pension tant qu'elle ne percevra pas de pension. Si elle perçoit une pension tout en continuant de travailler, elle ne se constituera pas de droits complémentaires, mais sa pension ne sera pas non plus réduite.

Unité de carrière externe :

Pour le calcul de la pension des personnes qui, au cours de leur carrière, ont travaillé dans différents régimes (fonctionnaires, salariés, indépendants), on part toujours du principe que les années prestées en qualité de fonctionnaire prévalent sur celles prestées en qualité de salarié et que les années prestées en tant que salarié ont priorité sur celles prestées en tant qu'indépendant, ce qui est en général justifié : les fonctionnaires touchent normalement les pensions les plus élevées et les indépendants, les plus faibles. Certaines personnes peuvent toutefois avoir intérêt, par exemple, à ce que les années prestées en qualité d'indépendant à la fin de la carrière soient d'abord prises en compte pour le calcul de la pension. C'est pour ce motif que l'unité de carrière externe est supprimée, de façon à ce que le calcul soit toujours effectué de la façon la plus avantageuse pour l'intéressé.

7) *Lutte contre la pauvreté chez les personnes âgées*

En Belgique, 20 % des pensionnés ont un revenu inférieur au seuil de pauvreté. Les pensions moyennes sont plutôt basses dans notre pays, bien qu'il faille nuancer cette affirmation : comme en Belgique les pensionnés disposent en moyenne d'un patrimoine propre supérieur à la moyenne (250 000 euros net par personne après déduction des dettes), ils peuvent plus aisément mener une vie confortable, même avec une petite pension.

Les personnes qui ne disposent réellement que de faibles revenus seront bel et bien être soutenues par les pouvoirs publics. Pour les adaptations au bien-être des pensions les plus basses, les montants suivants ont été prévus :

- 2013: 182 millions d'euros (164 millions dans le régime des travailleurs salariés et 18 millions dans le régime des travailleurs indépendants) ;
- 2014: 364 millions d'euros (325 millions dans le régime des travailleurs salariés et 39 millions dans le régime des travailleurs indépendants).

Des moyens supplémentaires ont également été prévus pour les allocations d'assistance, dont la Garantie de revenus aux personnes âgées (GRAPA), et ce, pour un montant annuel de 66 millions d'euros.

8) *La réforme des pensions des femmes*

Les femmes sont souvent victimes de leurs choix de carrière (abandon temporaire ou définitif du marché de l'emploi, travail à temps partiel, etc.). Pour pouvoir bénéficier d'une pension minimum, il existe aujourd'hui un seuil que beaucoup d'entre elles n'atteignent pas, à savoir deux tiers d'une carrière complète. Pour éviter que de nombreuses femmes ne se retrouvent dans une situation de précarité ou de pauvreté, des solutions doivent encore être formulées, notamment en concertation avec les organisations féminines et de seniors et le Comité consultatif pour le secteur des pensions.

Différentes pistes de réflexion seront explorées. L'instauration d'un système de répartition des droits de pension sur la base duquel une personne pourrait transférer des droits de pension à son partenaire mérite notamment d'être envisagée ; les discussions à ce sujet doivent encore démarrer.

9) *Fusion éventuelle du Fond de vieillissement avec le Fond d'avenir pour les soins de santé*

Le Fonds de vieillissement a été créé en 2001 afin de faire face aux conséquences du vieillissement. Jusqu'en 2006, ce sont surtout des recettes non fiscales de l'État qui ont alimenté ce Fonds, pour un montant total de 14,033 milliards d'euros.

Le Fonds d'avenir pour les soins de santé doit permettre de faire face aux dépenses croissantes, en raison du vieillissement, dans le secteur des soins de santé. Il dispose actuellement d'un montant de 1,262 milliard d'euros. L'éventualité d'une fusion de ces deux fonds est à l'examen.

10) *Informatisation du secteur des pensions*

Le gouvernement veut instaurer le système de "l'enveloppe orange", basé sur le modèle suédois, qui prévoit que chaque année, tous les citoyens reçoivent du gouvernement une lettre contenant un aperçu des droits de pension qu'ils ont déjà constitués ainsi qu'une simulation de la pension à laquelle ils peuvent s'attendre afin que les intéressés aient une idée des conséquences de leurs choix de carrière sur la constitution de leurs pensions. Une opportunité importante se présente de par le fait que, dans les différents régimes légaux de pensions, des banques de données contenant les données de carrière à prendre en considération pour la pension existent ou sont en cours de développement, qu'il faut maintenant intégrer :

- régime des travailleurs salariés: banque de données Argo; que les intéressés peuvent déjà consulter via l'interface www.mypension.be ;
- régime des travailleurs indépendants: banque de données Eclips (en phase de test) ;
- régime des fonctionnaires: Capelo (en développement).

Ces trois banques de données seront à l'avenir interconnectées par l'asbl Sigedis, développeur d'applications informatiques pour la sécurité sociale. Elles doivent ensuite être également reliées à la banque de données des pensions complémentaires, qui est mise à jour sur la base des données communiquées par les organismes de pensions (assureurs de groupes et fonds de pension). Dans une phase ultérieure, on pourra également envisager de développer et d'intégrer dans le système une banque de données pour les pensions du troisième pilier (épargne pension individuelle).

Les données relatives à la carrière des trois régimes légaux des pensions et des pensions complémentaires seront finalement intégrées dans une seule banque de données, où les données seront stockées dans un format utilisable pour toutes les branches de la sécurité sociale. Il y aura ainsi un point de contact unique permettant aux pensionnés et aux futurs pensionnés de s'informer sur leur situation et sur leurs droits. Toutes les personnes actives recevront donc très régulièrement, dès le début de leur carrière, une estimation de leurs futurs droits de pension.

- ❖ **Leviers utilisés par la dernière réforme** : du fait du principe de gestion globale de la sécurité sociale et de l'adaptation aux besoins de ses branches, le pilotage se fait en dehors de tout mécanisme automatique. La Belgique a introduit un financement alternatif de la sécurité sociale par l'affectation d'une partie des recettes de la TVA en sus des fonds issus de la répartition des moyens financiers par l'Office national de sécurité sociale.

Il n'existe donc pas en Belgique de règles spécifiques concernant les leviers de réforme du système de retraite.

Dans la pratique, le levier d'une augmentation des ressources du système est toutefois utilisé. Puisqu'il ne s'agit que d'un report de la problématique vers le Service Public Fédéral de Sécurité Sociale, il faut noter que des paramètres secondaires ont d'ores et déjà été ajustés : le plafonnement de fait des pensions (du fait du plafonnement des salaires de référence) et de façon plus marginale le couple âge/durée de cotisation.

- ❖ **Exceptions à l'âge légal de départ à la retraite**

1) *Travailleurs salariés* :

Le travailleur peut prendre sa pension :

- de manière anticipée, au plus tôt durant le mois qui suit son 60e anniversaire, s'il a travaillé pendant 35 ans, cette période comprenant les périodes de travail en tant que travailleur salarié, mais aussi les périodes de travail en tant que travailleurs indépendant ou fonctionnaire ;
- à 55 ans s'il a travaillé comme ouvrier mineur de fond ;
- à 60 ans s'il a travaillé comme ouvrier mineur de surface ;
- à n'importe quel âge à partir de 25 années d'occupation habituelle et en ordre principal comme ouvrier mineur de fond ;
- à 60 ans s'il est un marin ;
- à 55 ans s'il fait partie du personnel navigant de l'aviation civile et qu'il compte 30 années d'occupation habituelle et en ordre principal comme membre du personnel de conduite ou 34 années d'occupation habituelle et en ordre principal comme membre du personnel de cabine ou alternativement ou successivement comme membre du personnel de conduite et de cabine.

N.B. : les travailleurs salariés ont également la possibilité d'arrêter leur carrière professionnelle en vertu de la réglementation relative à la « prépension » (à ne pas confondre avec les régimes de pension anticipée mentionnés ci-dessus).

Il s'agit d'un régime :

- applicable seulement en cas de licenciement de travailleurs d'un certain âge (56, 58 ou 60 ans, selon le cas), dans un secteur économique en difficulté ou une entreprise en difficulté pour lequel ou laquelle une convention collective de travail prévoyant cette possibilité a été conclue entre les organisations patronales et syndicales ;
- applicable seulement jusqu'à l'âge légal de la pension ;
- qui prévoit le versement au travailleur, en plus de l'indemnité de chômage, d'une indemnité complémentaire généralement égale à la moitié de la différence entre la rémunération nette du travailleur et son indemnité de chômage.

2) *Travailleurs indépendants :*

Le travailleur peut obtenir sa pension de retraite de manière anticipée, à partir du premier jour du mois suivant son 60e anniversaire, si sa carrière a duré 35 années au moins (y compris les périodes de travail en tant que régies par une convention internationale en matière de sécurité sociale). Dans ce cas, le montant de sa pension est réduit, sauf si sa carrière a eu une durée de 42 années au moins.

3) *Fonctionnaires :*

Le fonctionnaire peut demander à être mis à la retraite de manière anticipée à partir de l'âge de 60 ans, à condition :

- de compter au moins cinq années de services ;
- de pouvoir faire valoir des services postérieurs au 31 décembre 1976.

Sauf mesures particulières décidées par l'institution qui emploie le fonctionnaire, la retraite anticipée entraîne une réduction du montant de la pension. Pour certains fonctionnaires, la limite d'âge peut être supérieure à 65 ans (par exemple, pour les magistrats) ou inférieure à 65 ans (par exemple, pour les militaires ou certains membres du personnel de la police).

BULGARIA

❖ **Structure of the pension system**

PILLAR N°1: A system of compulsory pension insurance - joint pension system, built on a Pay-as-you-go principle and is managed by the National Insurance Institute. There is a close link between the rate of pensions and the personal contributions of insured persons in the system; optimally differentiate the contribution between the insured, insurers and the state (since early 2009, the state is a special type of insurer and is involved with transfers from the state budget in the amount 12 per cent on the sum of the insurance income of all insured persons for the calendar year in the pension fund).

PILLAR N°2: Supplementary pension insurance - built on the principle of equity (Funded) and carried out by licensed private pension insurance companies. This scheme covers all insured persons born after December 31, 1959, and a kind of transition between the roof and cost-capital elements of the system. Supplementary pension insurance is through pension schemes ("capital cover") principle on the basis of defined contributions accumulated and capitalized on individual pension accounts. It does not replace but complements the mandatory social security of pay-as-you-go principle which makes it possible to obtain more than one pension, and thereby increasing the rate of substitution of labor income. It is through participation in universal and professional pension funds managed by licensed pension insurance companies.

In the universal pension funds from January 1, 2002 those who were born after December 31, 1959 are obliged to be insured and are insured in the compulsory public system. Providing a universal and professional pension fund shall be made by monthly installments of insurance money. Contributions to universal pension funds shall be distributed between insurers and insured persons in the statutory ratio in recent years an increasing proportion of the contribution which is paid by the insured person. Insured persons are entitled to supplementary lifelong old age pension paid by these funds.

In occupational pension funds from January 1, 2000 it is mandatory to provide all persons engaged in occupations and activities performed at high risk for health workers, regardless of their age. Insured persons by occupational pension funds, who were born after December 31, 1959, must be provided in a universal pension fund. Contributions to occupational pension funds are fully borne by the employer. Insured persons are entitled to fixed-term professional pension for early retirement until the age of statutory retirement age to be paid from these funds.

PILLAR N°3: Additional Voluntary Pension - built on the equity principle (Funded) and carried out by licensed private pension insurance companies. In essence it is a form of long-term savings in order to provide higher retirement income. By the end of 2006 the activity of supplementary voluntary pension insurance shall be conducted only in one type of fund - funds for additional voluntary pension insurance, established and managed by licensed pension companies. These funds will create and administer the so-called individual pension schemes (plans). Access to these schemes is open to individuals, i.e. not apparent and is not related to employment relationships in which they are located. Therefore, the funds through which is carried by individual pension schemes are open type.

With the regulation of occupational pension schemes in the Bulgarian pension legislation their administration in a separate type of fund is foreseen - funds for additional voluntary pension insurance under professional schemes. "Professional scheme" constitutes rules for additional voluntary pension insurance, agreed in a collective agreement or collective agreement between the company – the insurer and the insured. Participation in an occupational scheme is necessarily connected with respect to employment. Occupational schemes arise from the collective agreement or collective labor contract. The funds raised by them are accumulated and managed in separate funds - the funds for additional voluntary pension insurance under professional schemes. These funds are organized and operate on the same principles, as well as the funds for additional voluntary pension insurance of an open type and are established and managed by licensed pension insurance companies.

❖ **Reform(s) of the pension system**

The pension reform in Bulgaria started at the beginning of the year 2000 with the introduction of the three-pillar system of pensions and new higher requirements for obtaining a pension - the sum of old-age and years of service. The conditions for obtaining a pension for retirement and old age before the reform were as follows: Women - 55 years and 20 years of service; Men - 60 years of age and 25 years of service.

Since the beginning of the year 2000 a process of increasing the retirement age of 6 months per year until reaching the age of 60 for women and 63 years for men had started. Men reached that age in 2005, and women in 2009. The legislation allowed the combination of parameters of retirement age and years of service for receiving a pension, but by the requirement for a total collection of these parameters, 94 women and 100 men. During the period 2005 - 2009 a number of additional reforms in the pension system were held, more important of which are the following:

- More flexible forms of participation in the pension system were introduced which were in line with demographic projections and development of the labor market, allowing for a possibility for payment of contributions by those missing up to 5 years of service to receive pension and age.
- Incentives to postpone retirement and extending working life by increasing the severity of each year in the pension formula after the age of mandatory retirement age who continue to operate from 1% to 1.5%, and subsequently by 1.5% to 3% were introduced.
- New mechanism for indexation of pensions, which account equally inflation and changes in average income in the country was also introduced.
- Reduced rates pension contributions by 7-percentage points.
- New mechanisms for determining the minimum pension (guaranteed by the state) and the maximum pension received by the public pension system were introduced.
- Policies to encourage continued participation in the pension system by providing real incomes by raising in the pension formula from 1% to 1.1% in determining the amount of the pension were conducted.
- State Fund was established to ensure sustainability of state pension system for public support, solidarity pillar in a strong demographic pressure. It means entering into legally defined ratios of budget surplus, privatization receipts, revenues from concession fees. There are legal limits to investing the funds in it, using the relatively conservative approach.

At the end of 2010 after extensive consultations with social partners, the public and the political parties, reform was implemented, which continued more restrictive nature of the requirements to receive a pension, namely:

- Since 2011 pension eligibility were established as follows: women - 60 years of age and 34 years of service for men - 63 years and 37 years of service without the possibility of flexible combining.
- It was intended since the beginning of 2012 to begin the process of increasing the length of service for men and women with 4 months of the year until reaching 40 years for men and 37 years of service for women in 2020 while maintaining the minimum age for pension entitlement, namely 63 years for men and 60 women.
- For those who do not have enough years of service from January 1, 2012 the retirement age (age 65) increases with 6 months in any calendar year until reaching 67 years of age from January 1, 2024.
- From 1 January 2021 a process of increasing the required age for entitlement to a pension with 6 months of the year until reaching 63 years for women in 2026 and 65 - the age for men in 2024 was set out to start.
- It is envisaged that the amount of contributions for additional compulsory pension insurance to increase by 2017 from 5 percent to 7 percent.
- From 2017 it is expected to increase the weighting of each year of service in the pension formula for calculating the pension of 1.1 per cent to 1.2 per cent as a measure for increasing the adequacy of pensions.

At the end of 2011 measures were applied to accelerate the pension reform as:

- From January 1, 2012, retirement age is increased by 4 months of each calendar year until reaching 65 years of age for men in 2017 and 63 years for women in 2020. This measure is used concomitantly with the launch of the increase in the required insured service with 4 months of each calendar year until reaching 40 years of service for men and 37 years of service for women in 2020.
- From 1 January 2012 the retirement age for those with failing pension shall be increased by four months for each calendar year from age 65 to attainment of age 67 in 2017.
- The policy to encourage the postponement of retirement and longer working life by increasing the severity of each year in the pension formula after the age of retirement, but in cases where a person receives a pension from 3 to 4 percent was developed.
- The ability for employers to exempt employees when they reach the statutory retirement age was removed.

❖ **Levers used by the last reform** : duration of contributions, age of retirement, subsidies for private pensions, restructuration of the pillars.

❖ Exceptions to the legal age of retirement

In Bulgaria, the following exemptions from the statutory retirement age are applied:

- 1) For military, police and others in the field of national security requirement, does not apply to age and require 27 years of pensionable service total, two thirds of whom actually served in their respective fields.
- 2) For employees in non-specific conditions, as well as in terms of higher health risk to workers two modes are applied – I-st and II-nd class work. Conditions for retirement are:
 - First class service: 10 years operating in the same category, 47.4 years for women and 52.4 years for men. It is envisaged that by 2014 the age for them to reach 48 years of age for women and 53 years for men. From 2016 begins a process of reducing early retirement years to reach 8 years lower age for women and men who worked under the first category of labor, of legal age;
 - Second category of employment: 15 years operating in the same category, 52.4 years for women and 57.4 years for men. It is envisaged that by 2014 the age for them to reach 53 years for women and 58 years for men. From 2016 begins a process of reducing early retirement years to reach 3 years lower age for women and men who worked under the second category of work, the statutory age.
- 3) For people with failing pension retirement age is 65.4 years, equal for men and women, each calendar year will be increased by four months until they reach 67 years of age in 2017. Individuals are required to have at least 15 years of actual pensionable service.

CROATIA

❖ Structure of the pension system

PILLAR N°1: mandatory pension insurance based on pay-as-you-go pension system.

PILLAR N°2: mandatory pension insurance based on individual capitalized savings.

PILLAR N°3: voluntary pension insurance based on individual capitalized savings.

❖ Reform(s) of the pension system

A reform entered into force on 1st November 2010. The main change is the equality between men and women in terms of old age pension criteria: 65 years and 15 years of service.

❖ Exceptions to the legal age of retirement

There are 12 special laws, i.e. categories of persons who are entitled to a pension under favorable conditions (*inter alia*, police, participants of the Homeland War, miners, regular members of Croatian Academy of Sciences and Arts, former political prisoners, participants of the National Liberation War, certain officials).

CYPRUS

❖ Structure of the pension system

PILLAR N°1: *Social Pension Law 25 (I) 1995-2005 (O Peri Koinonikon Asfaliseon Nomos - Title in Greek with Latin Characters)*. It is applied to all employees.

PILLAR N°2: *Law 97 (I) 1997-2005 on Pensions (O Peri Syntaxeon Nomos – Title in Greek with Latin Characters)*. It is applied only to public servants, employed until 30/09/2011. As from 01/10/2011, this supplementary occupational scheme is not applicable to newcomers to the public service, in accordance to *Law 113 (I) 2011 on Pensions regarding Public and Semi-public Sector, including Local Authorities Servants (O Peri Syntaxiodotikon Ofelimatou ton Kratikou Ypallilon tou Evriterou Dimosiou Tomea perilamvanomenon kai ton Arxon Topikis Autodioikisis - Title in Greek with Latin Characters)*. The semi-public sector and the local authorities have separate occupational pension schemes, which are in the form of regulations but they are similar to the public servants' occupational scheme.

PILLAR N°3: Private Insurance Companies.

❖ Reform(s) of the pension system

1) *Social Pension Law Amendment 22 (1) 2009* refers to the reform package for securing the long-term viability of the scheme. This law, among others, provides:

- Gradual increases in contributions rates allocated to long-term benefits (seven increases by 1.3 percentage points every five years, first increase April 2009 and last increase in January 2039).
- Stricter eligibility conditions to old-age pension/increase of the minimum contribution requirement to 10 years of paid contributions.
- Commitment by the Ministers of Finance and Labour and Social Insurance to submit to the House of Representatives a draft legislation, concerning the upgrading of the investment framework and policy of the Social Insurance Fund and the effective investment management of the Fund.

2) According to *Law 113(I)2011 on Pensions regarding Public and Semi-public Sector, including Local Authorities Servants (O Peri Syntaxiodotikon Ofelimatou ton Kratikou Ypallilon tou Evriterou Dimosiou Tomea perilamvanomenon kai ton Arxon Topikis Autodioikisis - Title in Greek with Latin Characters)*, public and semi-public servants who are already covered also by Pillar 2 – the supplementary occupational scheme applied by *Law 97 (I) 1997-2005 on Pensions (O Peri Syntaxeon Nomos – Title in Greek with Latin Characters)*, must contribute 3% of their pay to this scheme. As from 01/10/2011, this supplementary occupational scheme is not applicable to newcomers to the public service, who are only covered by the 1st Pillar - *Social Pension Law 25 (I) 1995-2005 (O Peri Koinonikon Asfaliseon Nomos - Title in Greek with Latin Characters)*.

- ❖ **“Levers” used by the last reform:** level of contributions, duration of contributions, age of retirement, level of pensions, restructuration of the pillars.
- ❖ **Exceptions to the legal age of retirement:** Public Service (the legal age for retirement for public servants is 63 years old (men and women)), Educational Service (primary education teachers: at 60 years old, secondary education teachers: at 63 years old), Miners (can be reduced at 58 years, depending on the number of working years to the mines), Members of the Police and Fire Service (Up to the grade of Sergeant: at 60 years old, from the grade of Inspector: at 61 years old), Military Service (as stated to Law 33/90 on Military Services, the retirement age is defined according to the grade).

CZECH REPUBLIC

❖ Structure of the pension system

PILLAR N°1: standard pay-as-you-go pillar which is funded by social contributions by the employers and the employees. The retirement scheme is defined-benefit. The level of benefits depends on contribution length, level of contributions and other legal conditions such as reduction boundaries etc.

PILLAR N°2: based on voluntary insurance scheme which is offered by private insurance companies. At the end of the insurance period, e.g. by reaching of retirement age, the insured person may choose to take whole accrued amount of saved money or to take regular monthly benefit payment.

PILLAR N°3: based on a voluntary complementary private insurance offered by private insurance companies. The state also contributes a small amount of money according to the level of contribution of the insured person.

❖ Reform(s) of the pension system

Enacted in 2011, the reform of the Czech pension system was divided into two steps:

- 1) *Parametrical reform*²⁷: it adjusted existing PAYGO system and was incentivized by decision of the Czech Constitutional Court which derogated provisions of the Pension security code. Derogated provisions ensured through so called reduction boundaries a high level of solidarity and equality of the first pillar. The decision turned first pillar towards more defined-contribution scheme than defined-benefit scheme.
- 2) *Paradigmatic reform*: it brought a whole new second pillar into the Czech pension system, which was introduced at the end of 2011.

The reform package²⁸ is supposed to come in force in 2012 (delay is expected). If the laws come in force every participant of the first pillar will be able to opt-out. It means that he or she will may choose to pay a small part of social contribution to private fully funded second pillar instead of paying to first state pillar. According to the new regulation at the time of retirement age a person may also choose to buy regular monthly rent (annuity) which is then paid by a private insurance company. Or, the pensioner may take accumulated amount of money without buying an annuity.

- ❖ **“Levers” used by the last reform:** level of contributions, duration of contributions, age of retirement, level of pensions, subsidies for private pensions, restructuration of the pillars, opt-out from the state pillar to the second pillar which was enabled by pension reform law enacted in 2011.
- ❖ **Exceptions to the legal age of retirement:** no exceptions.

²⁷ Law n. 220/2011 Sb.

²⁸ Law n. 426/2011 Sb., Pension savings act, Law n. 427/2011 Sb., Complementary pension savings act, Law n. 428/2011 Sb.

DENMARK

❖ Structure of the pension system

PILLAR N°1: legally based public pensions, which are old-age pension/national pension scheme. Every Danish citizen has the right to have old age pension when he/she reaches a certain age and fulfill certain conditions. The income and civil status may influence the amount of money. Every citizen born before 1953 can have old age pension when he/she is 65 years old. For every citizen born later the pension age will be 67.

PILLAR N°2: pensions established through the workplace affiliation, which depend on agreement on specific areas or workplaces and are part of the collective agreements between employers and employees. The most common is that the employer pays 1/3 and the employee 2/3 of the contributions.

PILLAR N°3: individually pensions.

❖ Reform(s) of the pension system

In Spring 2011 an agreement was made about reforming the retirement system and this agreement has just been implemented in the parliament and came into force on 1st January 2012.

❖ **“Levers” used by the last reform:** age of retirement and restructuring of the pillars.

❖ **Exceptions to the legal age of retirement:** depends on the agreements not legally based.

ESTONIA

❖ Structure of the pension system

PILLAR N°1: State pension.

PILLAR N°2: Funded pension. Subscription to the funded pension is mandatory for persons entering the labour market, i.e. persons born in 1983 or later.

PILLAR N°3: Supplementary funded pension.

❖ Reform(s) of the pension system

The latest reform was the raise of retirement age. 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 arises at the ages provided as follows:

Women

Year of birth	Age
1947	60 years
1948	60 years 6 months
1949	61 years
1950	61 years 6 months
1951	62 years
1952	62 years 6 months
1953 and later	63 years

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.

❖ **“Levers” used by the last reform:** age of retirement.

- **Exceptions to the legal age of retirement:** old-age Pensions Under Favourable Conditions are paid to workers in occupations that are considered hard or hazardous (e.g. workers in chemical, metal, glass, pulp industry, mining, etc.), may retire 5 or 10 years before the legal retirement age, if they have fulfilled qualification requirements foreseen by the law (from 15 to 25 years of contribution period of which at least half in the given profession). Early retirement is also available for certain professional groups (e.g. pilots, mariners, miners, some groups of artists) whose professional abilities have declined before the normal retirement age, provided they have the required pensionable service (from 15 to 25 depending on the profession).

FINLAND

❖ Structure of the pension system

PILLAR N°1: the employment based earnings related pension.

PILLAR N°2: the residence-based national pension.

PILLAR N°3: the employer-specific pensions, pensions based on labour market agreements and pensions based on personal insurance policies (not very common in Finland).

❖ Reform(s) of the pension system

From the beginning of 2005 the largest pension reform since the initial years of the scheme took effect. The most important changes of the extensive pension reform was the taking into account of the earnings of the whole work history in the pensionable earnings, introduction of the flexible retirement age for the old age pension between ages 63 and 68, raising of the age limits for pre-retirement pensions, total abolishment of the unemployment and individual early retirement pensions as well as taking into account of increased longevity in the pension amount. In addition the calculation rules of the different pension acts were harmonised further.

The reform was continued through an overall reform, which took effect from the beginning of 2007 and which unifies three private-sector pension acts for employees into one Employees Pensions Act (TyEL). This reform does not affect the contents of pension provision almost at all.

- ❖ **“Levers” used by the last reform:** age of retirement and restructuring of pillars.
- ❖ **Exceptions to the legal age of retirement:** early retirement is possible at the age of 62 under the earning-related scheme. Before the age of 63 (some military professions, border guards, police, prison guards and teachers in comprehensive schools)²⁹.

FRANCE

❖ Structure du système de retraites

PILIER N° 1 : régime général (Caisse nationale d'assurance vieillesse CNAV) + régimes professionnels complémentaires obligatoires par répartition - ARRCO (ouvriers et employés), AGIRC (cadres) - de gestion paritaire de droit « privé » mais sous contrôle public), par répartition, (avec le régime des salariés agricoles, de règles équivalentes, 65 % des retraités).

PILIER N° 2 : régimes professionnels (hors ARRCO et AGIRC assimilés en France au 1^{er} pilier), les 2 régimes professionnels principaux, par répartition, concernent les non salariés : exploitants agricoles et commerçants et artisans (16 % des retraités). Des dispositifs collectifs d'épargne retraite existent, à cotisations définies, à prestations définies et sous forme de plan d'épargne retraite collectif (PERCO).

PILIER N° 3 : régimes sur contrats individuels (capitalisation encouragée par des dispositifs fiscaux d'aide à l'épargne retraite individuelle).

Les régimes spéciaux ne s'insèrent pas dans ce cadre, dont les principaux d'entre eux, celui des fonctionnaires, qui relève du budget de l'État ou des collectivités locales (15 % des retraités). Le taux des

²⁹ Due to long transition periods in reform of the pension system, some professions still have the right to retire before the age of 63.

cotisations acquittées par les fonctionnaires sera aligné progressivement sur celui du secteur privé d'ici 2020. Ce dernier taux correspond à la somme des cotisations salariales en vigueur dans le secteur privé (régime général et régimes complémentaires obligatoires AGIRC-ARRCO). Cependant ce régime ne relève pas d'une logique de répartition reposant sur l'équilibre entre les cotisations et les pensions versées.

❖ **Réforme(s) du système de retraites**

La loi n° 2010-1330 du 9 novembre 2010 portant réforme des retraites s'inscrit dans la continuité des mesures prises dans le domaine des retraites depuis 1993, dont la loi n° 2003-775 du 21 août 2003 portant réforme des retraites, elle a porté principalement sur l'homogénéisation des règles entre tous les régimes de retraite, publics et privés et sur l'âge de départ à la retraite, retardé de 2 ans.

Plus généralement depuis 1993, les mesures prises ont concerné :

- les meilleures années de salaire prises en compte pour calculer le montant de la pension qui en est un pourcentage (de 10 à 25) ;
 - le taux de cotisation retraites (régimes complémentaires et homogénéisation en s'alignant sur le régime général pour les autres régimes) ;
 - la durée d'assurance nécessaire pour obtenir une pension à taux plein, calculée en trimestres de cotisation, (correspondant actuellement à 41,5 ans pour les personnes nées en 1956 ou après et qui évolue en fonction de l'espérance de vie depuis la loi de 2003) ;
 - l'âge minimum de départ à la retraite, qui était de 60 ans depuis 1982, porté à 62 ans, et l'âge de la retraite à taux plein porté à 67 ans (pour les personnes nées en 1956 ou après).
 - des mesures portant sur le niveau des pensions pour inciter les salariés à travailler plus longtemps, décote (réduction supplémentaire de la pension pour les assurés n'ayant pas atteint la durée d'assurance ou l'âge requis nécessaire), et de surcote (majoration de la pension dans le cas inverse) ont été mises en place ;
 - des mesures renforçant le pilier fondé sur l'épargne retraite, par la mise en place ou le perfectionnement de dispositifs d'épargne retraite, individuels ou collectifs.
- ❖ **Leviers utilisés par la réforme** : les leviers utilisés dans la dernière réforme en date (2010) portent sur l'âge de départ à la retraite, relevé de 2 ans dans tous les régimes et les cas.
- ❖ **Exceptions à l'âge légal de départ à la retraite** : elles sont variables comme les régimes de retraites concernés eux-mêmes (d'effectifs relativement faibles), il s'agit de certaines professions des transports aériens et ferroviaires, de fonctionnaires de catégorie « active » et des militaires, dans la plupart des cas, la durée des services nécessaires pour avoir un droit à pension a été augmentée de 2 ans, les négociations ou réformes en cours sur ce point ne permettent pas d'être plus précis. Le départ en retraite à 60 ans est maintenu pour les personnes ayant une incapacité permanente d'au moins 10 à 20 % (sous conditions) liée à une maladie professionnelle ou à un accident du travail, correspondant aux catégories de travailleurs à emplois pénibles ou handicapés.

ALLEMAGNE

❖ **Structure du système de retraites**

PILIER N° 1 : régime de retraite légal, régime de prévoyance des fonctionnaires, régime de prévoyance des professions libérales, régime d'assurance vieillesse des agriculteurs.

PILIER N° 2 : retraite d'entreprise, régime de prévoyance des fonctionnaires.

PILIER N° 3 : régime de retraite privé.

❖ **Réforme(s) du système de retraites**

Plusieurs réformes ont été entreprises depuis la fin des années 80 pour adapter le régime de retraite légal au changement démographique, la principale ayant pris la forme de l'introduction, en 2001, d'un deuxième et d'un troisième piliers de prévoyance vieillesse complémentaire encouragés par l'Etat. Pour préserver la confiance dans le système, l'application des modifications apportées au mode d'acquisition des droits et aux droits eux-mêmes, comme la diminution progressive du taux de remplacement, est devenue pleinement effective après une longue période de transition, allant dans certains cas au-delà de 2004. Ces réformes doivent garantir que le taux de cotisation ne dépasse pas 20% en 2020 et 22% en

2030. Dans le même temps, le taux de remplacement garanti avant impôt ne devra pas être inférieur à 46% en 2020 et à 43% en 2030. Enfin, dans les régimes obligatoires publics du 1^{er} pilier, il a été décidé en 2007 de porter progressivement l'âge légal de départ à la retraite de 65 à 67 ans entre 2012 et 2031 (voir notamment la Loi relative à l'adaptation de l'âge légal de la retraite à l'évolution démographique et à la consolidation des bases de financement de l'assurance retraite légale – *Gesetz zur Anpassung der Regelaltersgrenze an die demografische Entwicklung und zur Stärkung der Finanzierungsgrundlagen der gesetzlichen Rentenversicherung ou RV-Altersgrenzenanpassungsgesetz*). Lors de l'audition d'experts sur l'adaptation des retraites devant la Commission du travail et des affaires sociales du Bundestag, en 2008, la représentante de l'OCDE a déclaré à ce sujet que les réformes de l'assurance retraite légale en Allemagne était « spectaculaire » et qu'aucun autre pays de l'OCDE ne s'était aussi bien adapté à l'évolution démographique pour ce qui est de l'assurance vieillesse.

- ❖ **Leviers utilisés par la réforme** : l'âge de départ à la retraite.
- ❖ **Exceptions à l'âge légal de départ à la retraite** : l'assurance retraite légale prévoit que les personnes qui ont de longues carrières, les personnes handicapées et les mineurs de fond peuvent prendre leur retraite plus tôt que les autres. Pour ces catégories aussi, l'âge de la retraite a été progressivement repoussé de deux ans, passant par exemple de 60 à 62 ans pour les mineurs de fond. Certaines catégories de fonctionnaires, comme les pompiers, les policiers et les agents de l'administration pénitentiaire, bénéficient aussi d'une limite d'âge particulière, également repoussée par étapes de 60 à 62 ans. Une réglementation partiellement différente s'applique toutefois aux fonctionnaires de l'administration des Länder. Pour les militaires de carrière, la Loi portant statut des militaires fixe l'âge de la retraite entre 41 et 62 ans selon le grade.

GRECE

❖ **Structure du système de retraites**

PILIER N°1 : caisses de retraite principale.

PILIER N°2 : caisses de retraite supplémentaire.

PILIER N°3 : systèmes d'assurance privée au sein des entreprises.

❖ **Réforme(s) du système de retraites**

Depuis 2005, et surtout après 2009, la Grèce a mis en œuvre plusieurs réformes du système de retraite. Les réformes les plus récentes ont été mises en œuvre par les lois 3655/2008, 3863/2010, 3865/2010 et 4024/11. Les modifications ont concerné surtout la baisse du niveau des pensions et les conditions d'âge pour l'octroi de la pension. Cette baisse parfois concerne toutes les pensions et d'autres fois uniquement les pensions au dessus d'un niveau déterminé.

- ❖ **Leviers utilisés par la réforme** : la durée des cotisations, l'âge de départ à la retraite, le niveau des pensions.
- ❖ **Exceptions à l'âge légal de départ à la retraite** : il y a plusieurs exceptions puisque le système grec de retraite n'est pas homogène. Il y a aussi assez des régimes transitoires. A titre indicatif on cite les plus importants :
 - Exceptions pour des professions spécifiques (armée, police, pompiers) 35 ans de service minimum.
 - Conditions d'âge plus favorables pour les salariés des professions « dangereuses ou insalubres » (58 ans). A partir de 2017 l'âge monte à 60 ans.
 - Conditions d'âge plus favorables pour les mères d'enfants mineurs (55 ans). A partir de 2015 l'âge monte à 60 ans.
 - Conditions d'âge plus favorables pour les parents de trois enfants (56 ans et 23 ans de cotisation).
 - Conditions d'âge plus favorables pour les personnes ayant en charge des personnes handicapés.

HUNGARY

❖ Structure of the pension system

PILLAR N°1: state system (pay-as-you-go).

PILLAR N°2: compulsory private pension fund system until 2010 when the government abolishing the mandatory private pension pillar.

PILLAR N°3: voluntary private pension fund system.

❖ Reform(s) of the pension system

The pension system reform started in Hungary in 1998 and has been carrying out a comprehensive pension reform recently, but at this moment lots of details are unclear and unknown yet.

The key elements of the current changes of pension system is to return to the two-pillar pension system.

This new phase of the Hungarian pension system's reform is also a reform's reform, which keeps the positive elements from earlier reforms but corrects the shortcomings inflicted on the state pension system by the implementation of the second pillar.

To correct the above structural anomalies of the Hungarian pension system, the Hungarian government has decided to conduct a 4-step pension reform in order to ensure solid financing of the system in the short and medium term, and create a sound basis for the pension system becoming sustainable by 2050.

The most recent reforms already to enter into force are:

- the eligibility rules are being tightened,
 - the reform in 2009 increased the statutory retirement age from 62 to 65 between 2014 and 2022,
 - introduced less generous indexation of pensions dependent on real GDP growth, as of 2010,
 - abolished the 13th month pension,
 - introduced so-called pension premium,
 - from 1 January 2011, women who have a qualifying service period of 40 years or more may claim their old-age pension irrespective of their age (i.e. before the standard retirement age). The 40 years may include periods spent raising children but must include – as a rule of thumb – at least 32 years of qualifying paid employment,
 - during 2010/2011 the government took abolishing the mandatory private pension pillar, the revenue from pension funds was diverted to cover current expenses,
 - early retirement was abolished, and entitlements for current beneficiaries were made liable to tax.
- ❖ **“Levers” used by the last reform:** level of contributions, duration of contributions, age of retirement, subsidies for private pensions, restructuration of the pillars.
- ❖ **Exceptions to the legal age of retirement:** in the public pension system there are no more exceptions: the early retirement was abolished by the act No. CLXVII. 2011. (there is only single scheme in the pension system which is applied generally from 01.01.2012.).The entitlements for current beneficiaries were made liable to tax.

ICELAND

❖ Structure of the pension system

PILLAR N°1: Public Pensions according to the Social Security Act No. 100/2007.

PILLAR N°2: Occupational Pension Funds operated according to the Act on Mandatory Pension Insurance and on the Activities of Pension Funds No. 129/1997

PILLAR N°3: Voluntary private pension savings according to the Act on Mandatory Pension Insurance and on the Activities of Pension Funds No. 129/1997.

❖ **Reform(s) of the pension system**

Income tax deduction of voluntary private pension savings will be 2% of full salaries in the period 2012-2014 instead of 4% previously.

❖ **“Levers” used by the last reform:** level of contributions.

❖ **Exceptions to the legal age of retirement:** Public servants can retire when they are 60 years of age if they have paid premium for 35 years. Policemen can retire at the age of 65 years with pensions calculated as they had retired at 70 which is the maximum working age of public servants. Seamen having sailed at least 25 years (based on registration) can receive public age pensions from the age of 60 years.

ITALY
❖ **Structure of the pension system**

PILLAR N°1: Compulsory Insurance System.

PILLAR N°2: Complementary Insurance System (both individual and collective).

❖ **Reform(s) of the pension system**

The last reform is provided for the art. 24 of the Decree 201/2011, which text, in Italian, is available at the following link: <http://www.normattiva.it/ricerca/semplice>. The reform contained in the mentioned art. 24 concerns the compulsory retirement scheme, with regard to the following issues:

- 1) *Institutional changes:* with regard to the requirements to accede to pension, from a terminological point of view the institution of the retirement pension is replaced by the institution of the 'pensione anticipata' (advance pension) and, from a substantial point of view, is confined to special circumstances, excepting which only the old-age pension remains effective.
- 2) *Pension computation system:* the reform widens the so called 'contributive' method to the workers till now excluded, that is to say the persons with at least 18 years of contributions at the date of 31st December 1995. This widening affects the pension shares concerning the old age contributions completed starting from the 1st January 2012.
- 3) *Contributive requirements for an “advanced pension”:* the main case in point giving right to the mentioned 'advance pension' is the possession of the following contributive requirements: 42 years and 1 month for men and 41 years and 1 month for women. These requirements will go up of another month for the year 2013 and of a further month starting from 2014 and they are subjected to the discipline on the progressive raising of the requirements according to the evolution of life expectancy. On this type of pension a reduction is in force (unless exceptions) when the person is less than 62 years old at the moment of the retirement.
- 4) *Old-age pension:* the age requirement is 66 years and it is increased to 67 years from 2021. For women employees working in the private sector (which age requirement is 62 years in 2012), an adjustment process of the requirement is expected: consequently, the mentioned requirement of 66 years old becomes effective, for them, starting from the 1st January 2018, while it is already in force for the state employees women workers.

❖ **“Levers” used by the last reform:** age of retirement and level of pensions.

❖ **Exceptions to the legal age of retirement:** the paragraph 18 of the mentioned art. 24 transfers to rules for the enforcement of a law (the issuing term is 30th June 2012) the settlement of the regulations for the harmonization of the requirements for pensions concerning workers for whom special requirements are already provided for, such as workers underground (mines, pits and peat-bogs), the staff of the Police force, armed forces and fire brigade. For the current regulations concerning some of these categories, cf. the Decree 165/1997.

LATVIA

❖ Structure of the pension system

PILLAR N°1: All persons making social insurance contributions are involved in the 1st tier. Paid contributions are used for payment of old age pensions to the existing generation of pensioners.

PILLAR N°2: Social insurance contributions of those who participate in the 2nd pension tier through chosen fund managers are invested into the financial market and saved for the pension of the specific contributor.

PILLAR N°3: The third pension tier ensures the possibility for every individual according to his free choice to create additional savings for his pension in the private pension funds.

❖ Reform(s) of the pension system

The government is working to ensure that the pension system is sustainable. It is planned to gradually raise the retirement age to 65 years and to raise the minimal length of service that is necessary for receiving a state pension. At present, a person with a 10-year period of service qualifies for an old-age pension. The government plans to raise this requirement to 15 years starting from 2014, and to 20 years starting from 2020.

- ❖ Exceptions to the legal age of retirement:** Service pensions are available to people who, for a statutory period, have practised a profession or occupied a position, as well as to creative professionals, if they have reached the following age: judges – 62 years; diplomats – 55 years; prosecutors – 50 years; employees engaged in preventing and combating corruption – 50 years; employees of the Constitution Protection Bureau – 50 years; ballet and circus artists – 38 years; soloist vocalists – 45 years; orchestra members – 50 years; choir members – 50 years; puppet show actors – 50 years; theatre actors – 55 years.

LITHUANIA

❖ Structure of the pension system

PILLAR N°1: a social pension paid to every citizen upon reaching a certain age.

PILLAR N°2: pension funds accumulate part of the social benefits to personal pension accounts from the State Social Insurance Fund Board –Sodra.

PILLAR N°3: pension funds (additional voluntary accumulation) are widely spread investment instruments for long term savings.

❖ Reform(s) of the pension system

The State social insurance basic pensions and the amount of the insured income were increased every year in 2005-2008.

- 1) *Level of pensions:* from 1 July 2007, pursuant to amendments to the Law on Pensions, persons who have acquired state social pension insurance period exceeding 30 years were entitled to a bonus added to the old-age pension for each full year of the state social pension insurance period exceeding 30 years. The amount of the bonus is calculated individually for each beneficiary by multiplying 3 percent of the basic pension by the number of all full years of the pension insurance period exceeding 30 years.

At the same time in order to improve the pension accumulation system (II pillar) by providing the participants with a possibility to transfer to another pension accumulation company once a year without being charged etc.

In consideration of global economic and financial crisis, on 9 December 2009, the Provisional Law on the Re-calculation and Payment of Social Benefits was adopted. In accordance with this Law, as of 1 January 2010, state social insurance pensions were re-calculated (decreased) for the period of two years by increasing the basic part of the pension to 120 per cent of the amount of the state social insurance basic pension and by applying a smaller amount of insured income for the current year.

Transfers from the state social insurance fund to II pillar pension funds were decreased from 5,5 % to 2 %. Currently this contribution is reduced to 1,5 % (planned increase to 2,5 % in 2013).

2) *Age of retirement*: amendments to the Law on State Social Insurance Pensions, which envisage a gradual increase in the retirement age, became effective as of 1 January 2012. Every calendar year, the retirement age will be increased by 4 months per year for women and 2 months per year for men, until it reaches 65 years in 2026. Before 2012, the retirement age for men was 62 years and 6 months, and for women – 60 years in Lithuania.

- ❖ **“Levers” used by the last reform**: age of retirement, level of pensions and subsidies for private pensions.
- ❖ **Exceptions to the legal age of retirement**: no exceptions regarding social insurance pensions for specific professions. Professions (servicemen, judges, scientists) are awarded to the state pensions. It is a separate scheme unconnected to contributions and financed from the State budget.

NETHERLANDS

❖ Structure of the pension system

PILLAR N°1: Basic old age.

PILLAR N°2: Supplementary pension.

PILLAR N°3: Individual pension.

❖ Reform(s) of the pension system

Since October 2011 we have the act “Wet verhoging pensioenleeftijd, extra verhoging AOW en flexibilisering ingangsdatum AOW (translation: Enhancement of the age of retirement, enhancement of the Old Age Pensions Act and a more flexible commencing date of the Old Age Pensions Act) (2).

In June 2010 the employers and employers organizations agreed on enhancing the age of retirement from 65 to 66 in 2020 and to the age of 67 in 2025. People who want to stop working at the age of 65 receive less old age pension (by 6,5%) than people who keep on working until the age of 66. In 2011 the government and the employers- and employees organizations have reached the following agreement:

- The age of retirement will be enhanced in 2020 to the age of 66 and in 2025 to the age of 67
- The Old Age Pensions Act will be enhanced each year, from 2013, with 0,6%
- Employees can choose, because of the flexible commencing date of the AOW (Old Age Pensions Act) when they stop working. The longer they work the more AOW pension they will receive.
- Pillar 2 pensions will be made less independent from the movements in the financial markets
- It's will be easier for people to continue working

On the 7th February of 2012 the Act “Wet verhoging pensioenleeftijd, extra verhoging AOW en flexibilisering ingangsdatum AOW (translation: Enhancement of the age of retirement, enhancement of the Old Age Pensions Act and a more flexible commencing date of the Old Age Pensions Act) was approved by the Dutch House of Representatives. This act still has to be approve by the Senate.

- ❖ **“Levers” used by the last reform**: age of retirement, level of pensions, level of contributions, duration of contributions.
- ❖ **Exceptions to the legal age of retirement**: the Government is thinking about the pensions of specific professions (= zware beroepen). The idea is that employees with heavy professions with low income should be able to retire at the age of 65. If the age of retirement is 67 they would have a loss of purchasing power of only 3%.

NORWAY

❖ Structure of the pension system

PILLAR N°1: public pension system.

PILLAR N°2: public and private occupational pensions. Occupational pensions are funded in the private and municipal sectors while they are financed pay-as-you-go for state employees.

PILLAR N°3: private voluntary pensions.

❖ Reform(s) of the pension system

Norway has implemented a pension reform gradually from 2011, which aim is to create a more flexible and more sustainable pension system with better incentives to work compared to the old system. The reform includes new rules on:

- 1) *Pension earnings*: the pension will be based on earnings in all years from the age of 13 to 75, compared to a maximum of 40 years in the old system. The new system will be gradually introduced for cohorts born in 1954 and later, and will improve incentives to work long careers compared to the old rules.
- 2) *Flexible retirement*: from 2011 flexible retirement between the age of 62 and 75 was introduced based on actuarial principles. The new system will improve incentives for late retirement compared to the old rules.
- 3) *Life expectancy adjustment of pensions*: introduced in 2011, life expectancy adjustment implies that if life expectancy is increasing new cohorts will have to work somewhat longer to receive the same replacement rates in the pension system as older cohorts.
- 4) *New indexation of pensions in payment*: introduced in 2011. Pensions in payment are now indexed to wages and then subtracted 0.75 per cent. The new rules for indexation will reduce pension expenditures compared to the old rules.

❖ **“Levers” used by the last reform**: level of pensions, new rules on pension earnings, flexible retirement, life expectancy adjustment of pensions, and on indexations of pensions.

❖ **Exceptions to the legal age of retirement**: no exceptions in the general public pension system. In the occupational pension schemes: military, police and firemen have for instance an age limit of 60 years.

POLAND

❖ Structure of the pension system

PILLAR N°1: mandatory pay-as-you-go scheme based on notional defined contribution accounts run by the state-owned Social Insurance Institution (Zakład Ubezpieczeń Społecznych, ZUS) (17.2% of the employee's taxable income).

PILLAR N°2: mandatory funded scheme run by open pension funds (Otwarte Fundusze Emerytalne) (2.3% of the employee's taxable income).

PILLAR N°3: individual voluntary saving plans with tax incentives (Indywidualne Konto Emerytalne; Pracownicze Programy Emerytalne; Indywidualne Konto Zabezpieczenia Emerytalnego (IKZE)) run by private entities.

❖ Reform(s) of the pension system

Poland's new pension system which was introduced in 1999 include employees born after 1968³⁰. The total contribution rate is 19.5% of the employee's taxable income, split equally between the employer and the employee. Workers born between 1949 and 1968 could choose between access to new pension

³⁰ Workers born between 1949 and 1968 could choose between access to new pension system and staying in old one (the pensions 100% financed by ZUS).

system and staying in old one (the pensions 100% financed by ZUS). Selected groups such as farmers, judges, prosecutors, soldiers, police officers have their separate pension systems.

Since 2005 three major changes have been introduced to the pension system in Poland:

- 1) *Age of retirement*: in 2009 the eligibility for early retirement was severely limited. Bridging pensions available only for employees working in special conditions or in special character. Furthermore, public consultations on raising retirement age in Poland are in progress – according to the government's project the legal age for retirement is to be: in 2020: for women 62 and for men 67, and in 2030: for women 64 years and 6 months and for men 67.
- 2) *Restructuration of the pillars*: in 2011 the part of contribution directed to funded scheme (pillar n°2) was reduced from 7.3% to 2.3% of income. The difference is now placed on additional notional accounts run by ZUS (pillar n°1). In subsequent years the contribution to funded scheme is to grow again. The contribution will gradually increase to reach 3.5% in 2017.
- 3) *Subsidies for private pensions*: establishment of a new type of individual saving account (IKZE) with the right to deduct from taxable personal income payments to this account. From 2012 people who voluntarily save for their retirement (pillar n°3) have a new financial instrument with tax incentive (IKZE).

Recently (February 2012) the government has started public consultation on raising retirement age to 67 for both sexes.

❖ **Exceptions to the legal age of retirement:**

In general pension scheme people working in special conditions or in special character according to Polish law could receive a bridging pension for up to five years (in some cases up to 10 years) before reaching retirement age. The list of specific works is included in the relevant regulations. Some professions which are subject to other pension schemes have different legal age of retirement:

- 1) *Farmers* who have not reached universal retirement age, are entitled to a pension upon reaching 55 years of age (women) and 60 years (men), if they have been subject of pension insurance for at least 30 years and have given up farming.
- 2) *Judges and prosecutors* can be discharged from active professional duties, without loss of salary, at the age of 55 years for women and 60 years for men, if they worked for as judges or prosecutors not less than 25 years and not less than 30 years respectively.
- 3) *Soldiers and police officers* are entitled to a pension upon 15 years of service.

PORTUGAL

❖ **Structure of the pension system**

PILLAR N°1: social protection of citizens that includes the social action, solidarity and family protection subsystems.

PILLAR N°2: welfare system.

PILLAR N°3: supplementary system.

❖ **Reform(s) of the pension system**

Without new measures the system would become unbalanced through the combined effect of several circumstances, in particular the growing ageing of the population and the rise of pensions at a faster rate than contributions.

The public social security system was reformed in the wake of the agreement signed by the government and all the social partners on 10 October 2006 and stated in the Framework law on social security of January 2007. The reforms established a series of measures designed to boost the sustainability of the social security system. Subsequently, 2007 saw the approval of Executive law 187/2007 of 10 May which regulates the legal arrangements for protection in the event of invalidity and old age within the general social security system. Below are some of the measures established in that executive law:

1) *Introduction of a Sustainability Factor linked to life expectancy when calculating future pensions:* If they wish to offset the impact of applying the sustainability factor, beneficiaries may choose: i) either to work longer, beyond retirement age, establishing a bonus in the calculation of the pension for each month of work after the full pension is payable, ii) or to voluntarily discount to the new public supplementary scheme of individual accounts governed by Executive law 26/2008 of 22 February, which will provide extra earnings at the time the pension is granted. According to a circular from the Directorate General of Social Security, the sustainability factor applied in 2012, bearing in mind the formula in Article 35(3) of Executive law 187/2007 of 10 May, is 0,9608, which leads to a cumulative decline of 3,92% in the value of the pension.

2) *Speeding up of the transition to the new formula for calculating pensions:* To limit the unwanted effects of managing insurance history in the closing years of a working life more quickly, and to benefit from greater coherence between the contributions paid over a lifetime and the rights of beneficiaries, the government felt it was suitable to speed up the mechanisms of transition to a new method of calculating pensions that takes into account the full insurance life. For more details on the new rules applying to pensions, please go to [calculation rules](#).

3) *New rules for updating and indexing pensions:* So that the national minimum wage would again be a tool for regulating labour relations it was replaced as the benchmark for updating and calculating social benefits by a new Social Support Indexing Factor (IAS). Accordingly, Law 53-B/2006 of 29 December created a new indexing factor for social support and new rules for updating pensions and other social benefits under the social security system. The IAS is updated each year, bearing in mind the real growth in gross domestic product (GDP) and the average change of the consumer price index (CPI) in the last 12 months, not including housing, available on 30 November of the year before the one to which the update relates. This mechanism should be reviewed from time to time in terms of its suitability to the objectives proposed (safeguarding purchasing power of pensions and financial sustainability of social security).

4) *Introduction of a principle of capping the highest pensions:* Executive law 187/2007 of 10 May establishes a principle of capping the highest pensions to raise the moral standards of the system. A ceiling is thus envisaged for pensions worth more than 12 times the social support indexing factor (IAS)³¹, while ensuring total compliance with the principle of compulsory contribution. This ceiling is only applied to the part of the pension calculation that takes the best ten of the last fifteen years of the insurance history, which favours the management of history to maximise benefits, so that it becomes transitory in nature. This limit is not applied evenly if the pension calculated solely by the new formula that considers the whole insurance history results in a higher value than the established benchmark.

5) *Encouragement of active ageing:* In the context of flexibility of the legal retirement age, the law in question strengthens the incentives for active ageing, revising the scheme for extending the retirement age through a new way of granting a bonus. This will now be paid for each extra month actually worked and differentiated from the insurance history. In addition, bonus mechanisms for staying in the labour market have been introduced for pensioners who, while able to take early retirement without suffering any penalty, choose to keep on working.

6) *Age flexibility in old age pension:* Under the old age pension flexibilisation scheme the same law also fixes a reduction factor of 0.5% for each month before age 65 is reached. It also completely forbids the cumulative obtaining of an early pension through the flexibilisation scheme and continuing, without a break, to work in the same firm or business group where the pensioner was working before retirement.

7) *Convergence of social protection schemes:* To safeguard the long-term sustainability of the social security system the government merged the social protection scheme of state officials and agents with respect to the general social security scheme, with particular reference to the retirement age. At the same time, it repealed several special early retirement schemes which generated social unfairness and were unsustainable from the financial point of view. So, from January 1st 2006 new recruits to the civil service were registered with the general social security scheme under Law 60/2005 of 29 December, amended and republished in Law 11/2008 of 20 February, which sets out the mechanisms for merging

³¹ The establishment of an indexing factor for Social Support (IAS) was introduced to replace the indexing of national minimum wage. The pensions and some payments under the social security system have been updated as a function of the amount of the IAS. The monthly figure for 2012 is €419.22.

the civil service social protection scheme with the general social security scheme with respect to retirement conditions and the calculation of pensions.

For more details you can go to the website [social security](#), which gives the conditions for granting an old age pension, age flexibility for being paid the pension, early pension and subsidised pension, plus the [rules for calculation](#), applying the sustainability factor (in English).

- ❖ **“Levers” used by the last reform (in 2000):** level of contributions, duration of contributions, age of retirement, level of pensions, others (see previous paragraph).
- ❖ **Exceptions to the legal age of retirement**

Executive law 187/2007 of 10 May establishes the usual age for receiving the old age pension as when the beneficiary is 65 (or more) and has completed the guarantee period (15 calendar years, consecutive or non-consecutive, with accounted pay). But some occupations are governed by special schemes because they are particularly arduous or strenuous, and these schemes offer different conditions for the payment of an old age pension. Such occupations include: mineworkers can apply for their retirement pension from age 50, fire-fighters can apply for their retirement pension from age 50, dancers are entitled to their retirement pension from age 55, Embroiderers from Madeira are entitled to their retirement pension at age 60, Customs officers can apply for their old age pension at age 60, Air traffic controllers can apply to receive their old age pension early, at age 57, Registered seamen can apply for their old age pension from age 55 provided they have completed at least 30 years service, Port workers.

The above-mentioned workers are entitled to apply for an early old age pension under the specific conditions of age and insurance history for each activity, but they must in addition meet the general condition of having contributed for 15 years (consecutive or otherwise) to Social Security or another social protection system that guarantees an old age pension.

Civil servants (employees in central, local and regional government offices and other public bodies), up to 31 December 2005, were mandatorily registered in the public employees' pension system, whose retirement pensions are regulated by the Retirement Regulations. Since 1 January 2006 these civil servants have been registered in the general social security scheme. From 2015, when they retire the rules of the general social security scheme will apply. The current requirements for granting retirement to civil servants are: being at least 65 and having 15 years service or, until 31 December 2014, these conditions:

Year	Age	Length of service
2012	63 years 6 months	21 years
2013	age 64	19 years
2014	64 years 6 months	17 years

A fuller explanation can be found at [Retirement Pension Scheme](#).

The police and armed forces are governed by their own regulations. Thus, officers in the public security police force (PSP) can apply for retirement at age 60, Officers in the Republican National Guard (GNR) can apply for their retirement pension at age 60, Officers in the Armed Forces can apply for their retirement pension at age 60.

REPUBLIC OF MOLDOVA

- ❖ **Structure of the pension system**

PILLAR N°1: State pension, paid to the contributor by the social security fund

The insured person, resident of the Republic of Moldova, registered as a taxpayer to the social security fund, will benefit of a proportional to the contributions made pension. Article 1, Law 156 “On State pensions of social insurance” According to article 4. Of the same Law, the pensions established under this Act will be paid from the pension fund formed by the Income coming from employers' and insured person's contributions, transfers from the state budget, other income.

❖ Reform(s) of the pension system

On the 28th of June 2011 the Parliament of the Republic of Moldova voted the Law 280 “On modifying and amending some legislative acts” that introduced substantial changes to the Law 156-XIV of October 14th 1998 “On State pensions of social insurance” and the Law 1544-XII of June 1993 “On pension insurance for the military men and those of the command Board as well as those of the domestic affairs troops”

Starting with July 1, 2011, the required contribution period of pensions for old age will be of 30 years and 6 months. For each subsequent year contribution period will be increased according to table No. 51, until they reach the contribution period of 35 years, both for men and women. Table No. 51:

From July 1 the contribution period:

2011	30 years 6 months
2012	31 years
2013	31 years 6 months
2014	32 years
2015	32 years 6 months
2016	33 years
2017	33 years 6 months
2018	34 years
2019	34 years 6 months
2020	35 years

Note: The word "so" and the phrase "and for women" in paragraph (11) of article 42 was declared unconstitutional, according to Constitutional Court's Decision No. 27 of 20.12.2011 (in force from 20.12.2011).

❖ **“Levers” used by the last reform:** level of contributions, duration of contributions, age of retirement

❖ **Exceptions to the legal age of retirement:**

According to Law 1544-XII of June 1993 “On pension insurance for the military men and those of the command Board as well as those of the domestic affairs troops”, article 13. Conditions for establishment of pension, the right to pension for length of service belongs to those who:

- have completed military service by contract, people in service for the command Board as well as those of the domestic affairs troops and on July 1, 2011 have a length of service of at least 20 years and 6 months. In each subsequent year, the length of service increases, until they reach the age of 25 years' service, see the table below:
- have completed military service by contract, people in service for the command Board as well as those of the domestic affairs troops released from service for old age or sickness who, on release from service have seniority of at least 25 calendar years, of which at least 12 years and six months in military service or service in internal affairs;

According to the Law 156-XIV of October 14th 1998 “On State pensions of social insurance” article 44 on conditions for establishment of pensions for civil servants, the civil servant who made the contribution for the period referred to in paragraph 42. (11) and confirms a public service contribution period of at least 15 years will be entitled to pension at the age specified in paragraph 2) of this article. The pension amount is calculated as 75% of average monthly income determined in accordance with article 45.

- Since July 1, 2011, for civil servants is set the retirement age of 57 years and 6 months for men and 52 years and six months for women. In each subsequent year, the retirement age will be increased according to the age of retirement provided by article 41 paragraph (1), (Starting January 1, 2003, the legal age for retirement with a full-rate pension is set at the age of 62 years for men and 57 women).

- An insured who does not have official status, but confirms a public service contribution period of at least 15 years, has reached retirement age specified in Article 41 paragraph (1) and made the contribution period referred to in article 42 paragraph (11), will benefit of an amount of 75% of the average monthly income calculated pension as determined in accordance with article 45 of the same Law. [Article 44 was amended by Law no.56 of 09.06.2011, in force 01.07.2011]

According to article 46, paragraph (2), starting with July 1, 2011, for judges and prosecutors is set the retirement age of 50 years and 6 months, both for men and women. In each subsequent year, the retirement age will be increased, until it reaches the age of retirement provided by article 41, paragraph (1).

- Starting with July 1, 2011, for judges, the contribution period required of pensions will be 22 years. In each subsequent year contribution period will be increased until it reaches the contribution period of 35 years, both for men and women.

ROMANIA

❖ Structure of the pension system

PILLAR N°1: Unitary system of public pensions.

PILLAR N°2: Pension funds under private management.

PILLAR N°3: Optional (facultative) pensions.

❖ Reform(s) of the pension system

On 1st July 2006, Law nr 411/2004 on privately managed pension funds (mandatory). The system directs a contribution quota from the individual contribution paid to the public system of social insurances, to privately managed pension funds. Contributions are paid for the entire period during which the person is contributing to the public pensions system. Adhesion to the privately managed pension system is mandatory for the employees less than 35 years old, and optional for those between 35-45 years old.

The investments constituted of the assets of these funds are regulated, watched and put into practice according to the risk categories of each and every fund under circumstances of efficiency and prudence. The initial adhesion to the privately managed pension funds took place between 17 September 2007-17 January 2008.

On the 20 May 2008, the pension funds cashed in the first contributions, meaning 2% of the gross salary of the participants. On 1st July 2007, the system of facultative pension funds started to function pursuant to Law nr 204/2006 on facultative pensions. Under this law, any person with incomes from a taxed professional activity may become a participant.

The main measures of reform included in the unitary system of public pensions under Law nr 263/2010:

- Increase in retirement age as a consequence of life expectation of the population and gradual equalizing – up to the year 2030 – of the complete contribution period for men and women
- Increase in retirement age for the staff in the domain of national defence, public order, and national security.
- Re-evaluation of standard retirement age for the persons who are to be integrated within the unitary system of pensions in magistracy, diplomacy, support staff in Courts, parliamentary public servants, etc.
- Integration of persons belonging to the special pension systems (service pensions) within the unitary system of public pensions.
- Amendment of the procedure of establishing the pension point value.
- Recalculation of pensions, established by special laws, under payment on the date of introducing the unitary system of public pensions.
- Funding of the companion indemnity for the class I disabled pensioners from the state budget.
- Enlargement of the scope of compulsory insurance – by integrating into the unitary system of public pensions the persons who belonged to special categories (military pensions) as well as the persons with incomes from registered professions.
- Improvement of the financial sustainability of the pensions system – by introducing more restrictive conditions regarding the access to partial anticipated pension and invalids' pension.

- Ensuring a fair treatment of insured people, future pensioners – by regulating the way to establish the pension in accordance with the level of the insured incomes for which the contributions to social securities were paid.
- Discouraging anticipated retirement – by increasing the penalty coefficient of pension.

The results of putting into practice the provisions of Law nr 263/2010 on the unitary system of public pensions are:

- Real age of retirement has increased, on the whole of the system
 - Annual average social securities contributions paid by the individual insured raised from approximately 18 billion lei in 2010 to approximately 26 billion lei in 2011.
 - The number of people who enlisted for partial anticipated pension decreased from 42,911 in 2010 to 24, 797 in 2011.
 - The number of people who enlisted for invalidity pension decreased from 61, 905 in 2010 to 29,799 in 2011.
 - The number of people who enlisted for retirement has decreased by approx 34%, and the value of medium pension decreased from 728 lei in 2010 to 697 lei in 2011.
- ❖ **“Levers” used by the last reform (in 2000):** duration of contributions, age of retirement, level of pensions.
- ❖ **Exceptions to the legal age of retirement**

The legislation in force stipulates the following exceptions from the standard ages of retirement:

- Personnel working in the domain of national defence, public order and national security: in 2012: for men and women: depending on the date of birth, between 55.3 and 55.5 months; in 2020; for men and women: depending on the date of birth, between 57.3 and 57.5; in 2030: for men and women: 60.
- Miners: decreasing the standard age of retirement to 20 years if they worked for at least 20 years in special conditions. The reduced standard age of retirement cannot be less than 45.
- Artistic personnel (ballet dancers, dancers, acrobats, jugglers, clowns, circus riders, tamers, opera and operetta singers, wind instrument players, stunts): the decrease of the standard retirement age is 15 years if they worked for at least 20 years in special conditions. The reduced standard retirement age cannot be less than 50 years of age except for the ballet dancers and acrobats for whom the retirement age cannot be less than 40 for women and 45 for men.
- The people who have paid for the entire contribution period for working years in special conditions have the right to age limit pension with the decrease of the standard retirement age. Ex: the professional civil aviation personnel, if the minimum hours of flight are achieved, jumps or starts, approved by the Government Decision nr 581/2001 regarding the employment criteria for the civil aviation personnel working in special conditions; the activities of research, exploration, exploitation or processing of nuclear raw matters, areas I and II of exposure to radiations are those approved by Government Decision nr 583 /2001 regarding the establishment of the employment criteria for the activities of research, exploration, exploitation or processing of nuclear raw matters belonging to areas I and II of exposure to radiations.
- The blind benefit from age limit pensions irrespective of age if they accomplished as blind people at least one third of the complete contribution period.
- Anticipated pension at least 5 years before becoming of the standard age of retirement is ought to the people who paid a contribution period 8 years longer than the complete contribution period stipulated by the law. The amount of anticipated pension is established under the same conditions as for the amount of the age limit pensions.
- Partial anticipated pension at least 5 years before becoming of the standard age of retirement is ought to people who paid for the complete contribution period as well as to those who overdraw the complete contribution period by up to 8 years. The amount of partial anticipated pension is

established from the amount of the age limit pension which would have been ought to, by diminishing it by 0.75% for each month of anticipation, until the fulfilment of the conditions for obtaining the age limit pension.

SLOVAK REPUBLIC

❖ Structure of the pension system

PILLAR^o1: The mandatory pension insurance (retirement and disability), regulated by Social Insurance Act no. 461/2003 (in force since 1.1. 2004).

PILLAR N^o2: Retirement pension savings, regulated by Act no. 43/2004 (in force since 1.1.2005)

PILLAR N^o3: Voluntary additional pension savings, regulated by Act no. 650/2004 (in force since 1.1.2005)

❖ Reform(s) of the pension system

Fundamental reform of social insurance scheme, especially retirement pensions, has been adopted in 2003 in Social Insurance Act no. 461/2003 (became in force 1.1.2004). It was introduced for new insured persons - for graduates' mandatory - Pillar n^o2 of the transfer of payments to private retirement insurance funds. The retirement age for women is gradually extended (from 53 up to 62 years). Transformation of extension will be completed in 2024. The age of retirement extended once also for men (from 60 to 62 years).

It was introduced a new calculation of the amount of retirement pensions, the period of which amount of the pension is calculated was extended and meritoriousness was slightly highlighted (with a transitional restrictions - increasing low and reduction high pensions - until 2014)

Subsequently was drafted Pillar n^o2 - mandatory for school graduates, voluntary for other insured persons, unsuitable for insured persons in age more than 40 years. Half of the payment (charge on pension insurance) was redirected to private insurance fund. Conditions for investment resources of funds were limited by law.

Pillar n^o3 was introduced by the Act no. 650/2004 (became in force 1.1 2005). It ensures additional pension savings in which are required employer contributions if the employee decided to participate in the additional pension insurance. Employer contributions can't exceed employee contributions. Their height is determined by agreement in the collective agreement or agreement with employee representatives.

❖ "Levers" used by the last reform: level of contributions, duration of contributions, age of retirement, level of pensions, subsidies for private pensions, restructuration of the pillars.

❖ Exceptions to the legal age of retirement:

- Miners - the age of retirement is 55 years (after completing at least 25 years)
- Policemen, professional soldiers, rescuers - the opportunity to go to the retirement pension after completing 15 years of active service. The average age of retirement on service: soldiers – 56 years 6 month, policemen 57 years 8 months. (31.12. 2010)
- Employees, who work with various chemical carcinogens, work in underground mining work in different raw materials - the age of retirement is 58 years. Age of retirement varies between 56 to 59 years according to length of service right in the mine (duration of the exposure is important).

SLOVENIA

❖ Structure of the pension system

PILLAR N°1: mandatory pay-as-you-go system.

PILLAR N°2: collective voluntary supplementary pension system.

PILLAR N°3: individual voluntary supplementary pension system.

❖ Reform(s) of the pension system

In 2006, the IORP Directive was implemented into Slovenian pension system. With exception of the intervention law in 2009 and 2010 that changed the indexation of pensions (for limited period - 1 year), no further reforms were executed.

- ❖ **“Levers” used by the last reform (in 2000):** age of retirement, level of pensions, subsidies for private pensions, restructuration of the pillars.
- ❖ **Exceptions to the legal age of retirement:** Pension qualifying period with increase: Legal age for retirement can be reduced only for insured persons who were on 1 January 2000 employed at positions with the insurance period with increase and have completed 25 years (for men) and 23 years (for women) of the total pension qualifying period.

SWEDEN

❖ Structure of the pension system

PILLAR N°1: “Guarantee pension”, a flat-rate minimum pension.

PILLAR N°2: “Income pension”: a notional account, earnings-related, pay-as-you-go pension + “Premium pension”: a fully funded mandatory pension.

PILLAR N°3: A Quasi-mandatory occupational pension covering almost 90 per cent of employees.

❖ Reform(s) of the pension system

No reforms since 2005. However, in March 2011, the Swedish Government appointed an Inquiry to analyze the pension-related age limits and which obstacles to a longer working life exist. The Inquiry is to produce proposals and alternative strategies for how the pension-related age limits are to be dealt with (the aim being to increase the actual retirement age). The Inquiry is also to submit proposals for measures concerning working environment or other areas that could improve the chances of people working longer.³²

- ❖ **“Levers” used by the last reform (in 2000):** the introduction of the automated balancing mechanism in 2002 assures that outgoing pensions will always be adjusted to the financial status of the pension system. (See OECD (2011), Pensions at a Glance 2011, Retirement-income Systems in OECD and G20 Countries, side 305 for further information. The information there is still accurate).

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. It is forbidden to dismiss an employee for age reasons before the age of 67. There is no decision made to change these age limits.

- ❖ **Exceptions to the legal age of retirement:** no exceptions in the public pension scheme.

SUISSE

❖ Structure du système de retraites

PILIER N°1: prévoyance étatique (Assurance-vieillesse, survivants et invalidité).

³² See the [Swedish government web page](#).

PILIER N°2: prévoyance professionnelle (Prévoyance professionnelle, vieillesse, survivants et invalidité). Le 2^{ème} pilier est obligatoire pour les travailleurs percevant un revenu annuel supérieur à 20'880 SFR en 2011 et facultatif pour les indépendants.

PILIER N°3 : prévoyance individuelle.

❖ Réforme(s) du système de retraites

- 1) *Réforme du premier pilier* : deux tentatives de réformer le 1^{er} pilier ont eu lieu mais ont échoué, l'une en référendum populaire et l'autre au Parlement. Une petite réforme plutôt technique, acceptée par le Parlement est entrée en vigueur en 2012. Une réforme du 1^{er} pilier destinée à en assurer le financement et la pérennité est à l'étude.
- 2) *Réforme du deuxième pilier* : les dernières réformes du 2^e pilier ont été adoptées par le Parlement en 2010 et 2011 et sont entrées en vigueur en 2011 et 2012. Elles renforcent la surveillance, imposent aux acteurs du 2^e pilier des exigences plus strictes et accroissent la transparence dans la gestion des caisses de pension, contribuant ainsi à la prévention des abus. Les dispositions relatives au financement des institutions de prévoyance de corporation de droit public visent, quant à elles, à garantir la sécurité financière de ces institutions.
- 3) *Mesures spécifiques pour les travailleurs seniors* : elles visent à favoriser leur participation et leur maintien sur le marché de l'emploi. Les institutions de prévoyance peuvent dorénavant proposer à leurs assurés les nouveautés suivantes :
 - Les personnes qui, à partir de 58 ans, réduisent leur taux d'activité professionnelle (avec une diminution du salaire de 50 % au maximum) peuvent maintenir leur salaire assuré au même niveau que précédemment.
 - Les personnes qui souhaitent poursuivre leur activité professionnelle après l'âge ordinaire de la retraite pourront continuer de cotiser auprès de leur institution de prévoyance jusqu'à l'âge de 70 ans.
- 4) *Propositions pour modifier l'âge de la retraite* : aucune n'a encore été approuvée par le Parlement. Ainsi, suite à une initiative parlementaire demandant de fixer l'âge de la retraite à 65 ans pour les femmes et les hommes, une commission est maintenant chargée de préparer une loi. De plus, la prochaine révision de l'AVS (premier pilier) va probablement modifier l'âge de la retraite. Par âge légal de la retraite, il faut ici comprendre l'âge qui donne droit à une rente vieillesse, pas celui de la sortie du marché du travail. En Suisse, il est possible de travailler en touchant une rente AVS.

❖ **Leviers utilisés par la dernière réforme** : les prélèvements.

❖ **Exceptions à l'âge légal de départ à la retraite** :

- Premier pilier : pas d'exceptions, mais possibilité d'anticiper le versement de la rente d'une année ou deux (avec une rente réduite), ou de le repousser (avec une majoration limitée de la rente).
- Deuxième pilier : les institutions de prévoyance peuvent prévoir dans leur règlement un autre âge ordinaire de la retraite que celui du premier pilier ou offrir à leurs assurés la possibilité de prendre une retraite anticipée. L'âge minimal est dans tous les cas fixé à 58 ans.
- Des exceptions sont possibles en cas de restructuration d'entreprise et pour les rapports de travail où un âge de retraite inférieur est prévu pour des motifs de sécurité publique.

"THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA"

❖ Structure of the pension system

PILLAR N°1: mandatory pay as you go pension and disability insurance

PILLAR N°2: mandatory fully funded pension insurance

PILLAR N°3: voluntary fully funded pension insurance

❖ **Reform(s) of the pension system**

At the beginning the existing pay as you go system was under parametric reform: retirement age was increased from 63/60 to 64/62 (men/women); pension indexation was change from 100% of wage growth to 80% price growth plus 20% wage growth, and from 2008 50% price growth plus 50% wage growth; the entry replacement rate for people remaining in the one-pillar system was gradually lowered from 80% to 72% for a full-career worker, etc.

In year 2004 started the operation of the Mandatory Fully Funded Pension Insurance-second pillar, by splitting the contribution for the first and the second pillar.

In 2008 was presented the Third pillar or the Volluntary Fully Funded Pension Insurance. At the beginning of 2012 was adopted the Law on Payment of Pensions from Fully Funded Pension Insurance. For the future is planed the introduction of multi-funds in the fully funded pension system.

- ❖ **“Levers” used by the last reform:** level of contributions.
- ❖ **Exceptions to the legal age of retirement:** there are some categories of persons who are entitled to a pension under favorable conditions: police, military and penitentiary institutions.

UKRAINE

❖ **Structure of the pension system**

PILLAR N°1: mandatory state pension insurance system. It is based on the principles of solidarity and subsidizing, with pension benefits paid and social services rendered using the funds of the Pension Fund of Ukraine. The minimum level of pension benefits paid to retirees is fixed.

PILLAR N°2: accumulative mandatory state pension insurance. It is a funded system of the private pension insurance. The essence of the system is that a part of the mandatory pension contributions will be directed to the Accumulation Fund and credited to individual pension accounts with individual contributors being the ultimate beneficiaries of their own accounts. These funds will be invested in the national economy to generate investment income and to protect against inflation.

PILLAR N°3: the system of non-state (private) pension insurance. It is a voluntary private pension system involving employees, employers and their unions. Participants save for retirement in order to receive pension benefits based on the legislation governing private pension provisions.

❖ **Reform(s) of the pension system**

Based on previously adopted laws: Law of Ukraine “On non-state pension provision” and Law of Ukraine “On mandatory state pension insurance”, the most recent reform of pension system in Ukraine has entered into force on the 1st January 2012. According to the Law on Pension Reform, the participants of Savings Pension Fund will include employees that are no more than 35 years old at the date of coming into force of the second pillar state mandatory pension insurance payments.

The basic purpose of the pension reform program in Ukraine is the creation of three-pillar system of pension, including the following rules:

- 1) *Increase of the age of retirement for women:* pension reform will increase gradually the pension age for women to 60 years – over a 4-year period, provided that the retiree has working experience or social insurance period of not less than 15 years (previously 5).
- 2) *Conditions for a minimum amount of the pension:* the minimum amount of the pension is established at 35 years of experience for men and 30 years of experience for women in the amount of one minimal living cost as defined by the law. For each additional year of experience (years during which social mandatory payments were paid) above 35 years for men and 30 years for women the amount of the pension is increased by 1% from the amount of pension calculated in accordance with the rules provided in the legislation, but not more than by 1% of the minimal amount of pension based on age.

- 3) *Conditions for postponing the retirement age*: upon reaching the pension age established in the legislation, an individual has decided to continue working and receive the pension from a later age, then the pension based on age shall take into account the number of years of experience or the number of years when the mandatory insurance payments were paid for such employee as of the date when such individual has applied for appointment of the pension.
 - 4) *Maximum pension*: the law establishes a maximum pension at the level of 10 living wages for disabled people and a lump sum of 10 of pensions at retirement for budget sphere employees (education, culture, health and social protection sector).
- ❖ **“Levers” used by the last reform**: level of contributions, duration of contributions, age of retirement, level of pensions, restructuration of the pillars.
 - ❖ **Exceptions to the legal age of retirement**: as a part of state pension insurance system, special privileged (occupational) pension schemes exist for different categories of worker (civil servants, armed forces/military personnel, judges, and principally workers involved in hazardous or difficult work environment) covering around 20 per cent of retirees.

OBSERVER STATE TO THE COUNCIL OF EUROPE: CANADA

❖ **Structure of the pension system**

PILLAR N°1: Old Age Security (OAS) and the Guaranteed Income Supplement (GIS).

PILLAR N°2: Canada Pension Plan (CPP), operates throughout Canada, except in the province of Quebec (where the Quebec Pension Plan (QPP) provides benefits).

PILLAR N°3: workplace Registered Pension Plans (RPPs), group or individual Registered Retirement Savings Plans (RRSPs) and the Tax-Free Savings Accounts (TFSA).

Canada's retirement income system is concisely described in this April 2007 Study, entitled "Optimal Funding of the Canada Pension Plan: actuarial study no.6" which is available at http://www.osfi-bsif.gc.ca/app/DocRepository/1/eng/oca/studies/Optimal_Funding_CPP_e.pdf (see p.12):

"The Canada Pension Plan is a partially funded social security scheme that is part of the broader Canadian retirement income system. This system also includes the Old Age Security Program, the Québec Pension Plan, and employer-sponsored and private savings plans such as Registered Retirement Savings Plans.

The Old Age Security Program is financed out of general revenues on a PayGo basis. The Québec Pension Plan is similar to the CPP and is likewise partially funded.

Lastly, employer-sponsored and private savings plans are fully funded."

❖ **Reform(s) of the pension system**

1) *Old Age Security (OAS)*: a new reform of the OAS will probably be undertaken when our Federal Budget is introduced next month (March 2012). As no information is available at the moment, a [news article](#) suggests the age at which benefits will begin could be affected: from 65 to 67 years old (for both men and women). The OAS is supplemented by the Guaranteed Income Supplement (GIS) which is considered non-taxable income.

2) *Canada Pension Plan (CPP)*: new changes to the CPP will gradually be introduced by the Government of Canada between 2011 and 2016. A summary of the changes is below:

- The monthly CPP retirement pension amount will **increase** by a larger percentage if taken **after** age 65.
- The monthly CPP retirement pension amount will **decrease** by a larger percentage if taken **before** age 65.

- If under 65 and still working while receiving a CPP retirement pension, the employee and the employer will have to make CPP contributions. These contributions will increase the employee's CPP retirement benefits.
 - If age 65 to 70 and still working while receiving a CPP retirement pension, the employee can choose to make CPP contributions. These contributions will increase the employee's CPP retirement benefits.
 - The number of years of low or zero earnings that are automatically dropped from the calculation of a CPP pension will increase.
 - An employee will be able to begin receiving a CPP retirement pension without any work interruption.
- 3) *The last major reform of the CPP occurred in 1997*: see the history of the CPP, as outlined in the [April 2007 Study](#) (pages 13-18), for more details.
- 4) *Additional information*: a joint federal / provincial / territorial study was undertaken in 2009 to evaluate Canada's retirement income adequacy. The study is available at the following address: <http://www.fin.gc.ca/activty/pubs/pension/riar-narr-eng.asp>.
- ❖ **“Levers” used by the last reform**: age of retirement, level of pensions.
- ❖ **Exceptions to the legal age of retirement**: Although there is no legal retirement age in Canada (see response to question no.4 above), there are exceptions to the normal retirement age, such as:
- Canadian Forces [*Canadian Forces Superannuation Act*] – the age of retirement is between 45 and 60 years old, depending on the rank of the officer and the years of service. It is regulated by chapter 15, sections 15.17 and 15.31 and associated Tables A to H, of the *Queen's Regulations and Orders for the Canadian Forces* (as defined in the *Canadian Forces Superannuation Regulations* at section 16).
 - RCMP [*Royal Canadian Mounted Police Superannuation Act*] – the age of retirement is 60 years old, with some exceptions based on rank and years of service. It is regulated by section 26 of the *Royal Canadian Mounted Police Superannuation Regulations*.
 - Supreme Court judges and Federal Court judges cease to hold office at the age of 75: see section 9(2) of the *Supreme Court Act* and section 8(2) of the *Federal Courts Act*.

Other exceptions might be firefighters and policemen: these groups are regulated by the individual Canadian provinces. As of December 2011, “all Canadian jurisdictions, with the exception of New Brunswick, had abolished mandatory retirement, except for particular occupations.” (Source: <http://www.agediscrimination.info/News/Pages/ItemPage.aspx?Item=568>)