

Some parameters of the public PAYGO systems in selected countries - 2020 or last date available

| Country | Official retirement age Male/Female (*) (1) (2) (3) | Future Official Retirement Age Male/Female (1) (2) (3) (**) | Contribution Rate (4) | Estimated net replacement rate (5) (*) Male / Female | Deficit of the public PAYGO system (6) % of GDP | No. of years of contribution for accessing a full pension / No. of years of contribution for accessing a partial pension (7). |
|--|---|---|-----------------------|--|---|---|
| Europe | | | | | | |
| Austria | 65 / 60 | 65 (2033) | 22,80 | 89,90 | -4,00 | Partial pension: at least 180 months (15 years) of contributions in the last 30 years; or at least 300 months (25 years) of contributions throughout active working life. |
| Belgium | 65 | 67 (2030) | 16,40 | 66,10 | N.a. | Full pension: At least 45 years of contributions at the official retirement age. |
| Finland | 65 | 65 + (2030) | 24,40 | 64,20 | -2,10 | There are no number-of-years of contribution requirements; pensions are paid after age 65, and 40 years of residence are required. Pensions are reduced on a pro rata basis, for shorter periods of residence. |
| Germany | 65 years and 8 months | 67 (2031) | 18,60 | 51,90 | -3,60 | Partial pension: At least 5 years of contributions at the official retirement age. Failure to comply with this requirement results in no pension. |
| Spain | 65 years and 10 months | 67 (2027) | 28,30 | 86,70 | -3.20 (f) | Full pension: At least 36 years and 6 months of contributions (increasing to 37 years in 2027) at the official retirement age / Partial pension: at least 15 years of contributions are required |
| France | 66 years and 7 months | 67 years (2023) | 27,50 | 73,60 | -0,90 | Full pension: minimum age 62 and 43 years of contributions are required for those born after 1973 / Partial pension: at least 25 years of contributions. |
| United Kingdom | 66 | 68 (2046) | 25.8 (g) | 28,40 | N.a. | Full pension: at least 35 years of contributions at the official retirement age / Partial pension: at least 10 years of contributions |
| Greece | 67 | 67 + (2021) | 20,00 | 51,10 | -4,10 | Full pension: at least 40 years of contributions and 62 years of age / Partial pension: at least 15 years of contributions. |
| Netherlands | 66 years and 4 months | 67 + (2022) | 25,60 | 80,20 | N.a. | There are no contribution requirements for receiving a pension; one need only meet the official retirement age. A partial pension is paid to those at the official retirement age who have not continuously lived or worked in the country in the last 50 years prior to the official retirement age. |
| Hungary | 64 years 6 months | 65 (2022) | 25,50 | 89,60 | -2,40 | Full pension: at least 20 years of contribution at the official retirement age / Partial pension: at least 15 years of contributions. |
| Ireland | 66 | 68 (2028) | 12.6 (g) | 35,90 | -0,10 | Full pension: paid with an annual average of at least 48 weeks of contributions (92%) since the time the individual started working, or as of 1979 (whichever is later) and before 66 years of age / Partial pension: paid with an annual average of between 10 and 47 weeks of contributions (19%). |
| Italy | 67 | 67 + (2022) | 33,00 | 91,80 | -3,50 | Partial pension: at least 20 years of contributions at the official retirement age |
| Luxembourg | 65 | 65 | 16,00 | 90,10 | -0,10 | Full pension: at least 40 years of contributions. Partial pension: at least 20 years of contributions |
| Portugal | 66 years and 5 months | 66 + (2016) | 34,75 | 89,60 | -2,70 | Full pension: at least 40 years of contributions. Partial pension: at least 15 years of contributions |
| Czech Republic | 63 years 8 months | 65 (2036) | 28,00 | 60,00 | 1,40 | Full pension: at least 25 years (increasing to 35 years) of contributions, at the official retirement age. |
| The Americas | | | | | | |
| Argentina | 65 / 60 | 65 / 60 | 40,00 | 92.8 / 85.2 | -7.0 (h) | Full pension: at least 30 years of contributions at the official retirement age. |
| Brazil | 65 / 62 (a) | 65 / 62 | 27.5 - 34.0 (a) | 64.8 / 50.6 | -3.8 (i) | Full pension: at least 14 years of contributions for men (35 for women) at any age; or at least 20 years of contributions at the official retirement age, for men (15 years of contributions, for women). |
| Canada | 65 | 65 | 9.9 (b) | 50,70 | 0.0 (j) | Full pension: obtained with 39 years of contributions in Canada Pension Plan |
| Colombia | 62 / 57 | 62 / 57 | 16,00 | 73.8 / 66.8 | -3.9 (k) | Full pension: at least 1300 weeks of contributions (27.1 years) at the official retirement age |
| Costa Rica | 65 | 65 | 10,66 | 84,50 | (l) | Full pension: at least 300 months of contributions (25 years) at the official retirement age / partial pension: at least 180 months of contributions (15 years) at the official retirement age. |
| Honduras | 65 / 60 | 65 / 60 | 6,50 | 67.1 / 62.9 | N.a. | Full pension: at least 180 months of contributions (15 years) at the official retirement age |
| Jamaica | 65 | 65 | 5,00 | 74,10 | N.a. | Partial pension: at least 520 weeks of contributions (10.8 years) at the official retirement age |
| Panama | 62 / 57 | 62 / 57 | 13,50 | 78.8 / 73.2 (d) | N.a. | Full pension: at least 240 months of contributions (20 years) at the official retirement age / partial pension: at least 180 months of contributions (15 years) at the official retirement age. |
| Peru | 65 | 65 | 13,00 | 30 (c) | -18.0 (m) | Full pension: at least 20 years of contribution at the official retirement age |
| Uruguay | 60 | 60 | 22,50 | 65.9 (d) | -0.47 (n) | Full pension: at least 30 years of contributions at the official retirement age. |
| USA | 66 | 67 (2027) | 12,40 | 49,40 | -1.1 (ñ) | Partial pension: At least 10 years of contributions at the official retirement age |
| Venezuela | 60 / 55 | 60 / 55 | 14,50 | 98.5 / 93.6 | N.a. | Partial pension: at least 750 weeks of contributions (15.6 years) at the official retirement age |
| Asia | | | | | | |
| China | 60 / 50-55-60 (e) | 60 / 50-55-60 | 32,00 | 79.4 / 67.7 | N.a. | Partial pension: at least 15 years of contributions at the official retirement age |
| Japan | 65 | 65 | 17,83 | 36,8 | N.a. | Full pension: at least 40 years of contributions / Partial pension at least 10 years of contributions |
| Drawn up by: FIAP | | | | | | |
| (*) Retirement age and replacement rate: the retirement age and the replacement rate are the same for both sexes in countries with no distinction between sexes. | | | | | | |

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| <p>(**) Future official retirement age: in countries with a + sign, the retirement age increases in accordance with life expectancy, as of the year in brackets. If there is no distinction in the future retirement age for men and women, they are the same for both sexes in those countries.</p> <p>Source for European countries and the USA: Finnish Center for Pensions https://www.etk.fi/en/the-pension-system/international-comparison/retirement-ages/ and OECD Pensions Outlook 2020 (https://www.oecd-ilibrary.org/sites/67ede41b-en/index.html?itemId=/content/publication/67ede41b-en). Data for the year 2020.</p> |
| (2) Source for countries in the Americas: https://www.ssa.gov/policy/docs/progdesc/ssptw/2018-2019/americas/index.html |
| (3) Source for Asian countries: https://www.ssa.gov/policy/docs/progdesc/ssptw/2018-2019/asia/index.html |
| (4) Source: Social Security Programs Throughout the World (https://www.ssa.gov/policy/docs/progdesc/index.html), Pensions at a Glance 2019 OECD database (https://doi.org/10.1787/888934042276) and local sources. The aforementioned rate, in some cases, finances old-age pensions, health, maternity, disability and unemployment benefits (for example, in the United Kingdom). |
| (5) The net replacement rate shows the proportion of the full liquid pension (when meeting the Number of years of contribution requirements) obtained by a retiree after tax and social security contributions, compared to the net income earned by the active worker (throughout the work cycle) after taxes and social security contributions. Note: An estimate of the replacement rate for men and women is shown, considering that they earn a salary equal to the average salary of the economy in the OECD simulation, an individual supposedly enters the labor market at age 20, contributes throughout his working life and retires at the retirement age determined by his country. Calculations are based on the laws of existing pension systems and assume that taxes and social security contributions do not change in the future. In addition, a single set of economic assumptions is assumed, i.e. inflation, real income growth, rate of return and discount rate are assumed to be the same for all countries under consideration. Longevity after retirement is estimated by country-differentiated mortality rates. The reference salary used for the calculation of the replacement rate is the average of the wages earned in the entire working life. Source: "Pensions at a Glance 2019", OCDE database (on Internet: https://doi.org/10.1787/888934041554); and "Pensions at a Glance Latin American and the Caribbean 2014, OCDE" (these are the sources, except for Peru and Uruguay; see notes (c) and (d) further down). |
| (6) Source for European countries: Pension systems in the EU – contingent liabilities and assets in the public and private sector (2011), European Parliament. Page 54. The data referred to are deficit estimates for 2020. |
| (7) Source: Pensions at a Glance 2019, OECD / Country Profiles; and Social Security Programs Throughout the World (https://www.ssa.gov/policy/docs/progdesc/ssptw/). |
| (a) Brazil: A pension reform was promulgated on November 12, 2019. This reform introduced a minimum retirement age, changed contribution rates and requirements and modified the way pensions are calculated. The information regarding retirement age, contribution rate and number of years required for accessing full and partial pensions presented for this country, in this table, is what will actually be in place after the reform. |
| (a) Brazil: the total contribution rate will fluctuate between 28% (for the lower-income insured) and 31% (for the higher-income insured). This does not include the changes introduced by the pension reform promulgated on November 12, 2019. |
| (b) Canada: This is the contribution rate in the Canada Pension Plan (CPP), one of the components of Canada's public pension system. |
| (c) Source for Peruvian data: Una Mirada al Sistema de Pensiones Peruano al 2050 (A Look at the Peruvian Pension System to 2050), BBVA. |
| (d) Source for Uruguayan and Colombian information: Pensions at a Glance Latin American and the Caribbean 2014 (https://www.oecd-ilibrary.org/finance-and-investment/oecd-pensions-at-a-glance_pension_glance-2014-en). |
| (e) The retirement age in China is 60 for professional men and women; 55 for dependent, non-professional workers, and 50 for women in all other categories (e.g. self-employed). |
| (f) Source for Spanish information: https://okdiario.com/economia/sistema-pensiones-tiene-ya-agujero-35-000-millones-mas-que-pib-baleares-ano-6754085 . This is a projection to the year 2020. |
| (g) United Kingdom / Ireland: This contribution rate considers the worker's weekly wage or income. |
| (h) Source for Argentina: https://hoyrojas.com.ar/index1.php?que=noticias&id=18299 ; deficit projected to the year 2020. |
| (i) Source for Brazil: https://www.gazetadopovo.com.br/economia/rombo-previdencia-estavel-2021-efeito-reforma/ . Information projected to the year 2020. |
| (j) Source for Canada: Fiscal Sustainability Report 2020. Available on Internet: https://www.pbo-dpb.gc.ca/en/blog/news/RP-1920-029-5-fiscal-sustainability-report-2020-rapport-viability-financiere-2020 |
| (k) Source for Colombia: Data provided by ASOFONDOS (Colombian Association of Pension and Unemployment Fund Managers) based on information provided by the Ministry of Finance. The data provided is a projection to the year 2020. This deficit includes Colpensiones (administrator of the public PAYGO system) and special regimes (the military for example). |
| (l) Costa Rica: There is information for this country regarding the GDP projected deficit for the next 100 years (102% of GDP by 2010). However, this way of calculating the deficit is different to the one used in the rest of the countries (annual GDP deficit), due to which it is not included in this table. Information regarding the origins of the actuarial study showing these calculations, can be found at: https://www.academiacr.or.cr/wp-content/uploads/2020/03/El-sistema-de-pensiones-en-Costa-Rica-y-sus-desaf%C3%ADos.pdf |
| (m) Source for Peru: ONP, Report No. 42-2020-DPR/ONP (https://www.onp.gob.pe/seccion/centro_de_documentos/Documentos/3100.pdf). Data for the year 2019. |
| (n) Source for Uruguay: Social Security Comments No.52 / Abril-June 2016, Banco de Previsión Social (BPS). The information provided is an estimate, or projection, of the deficit of the PAYGO system by the year 2020. Internet: http://www.bps.gub.uy/bps/file/13003/1/comentarios-de-seguridad-social-n-52-abril-junio-2016.pdf (see page 10). |
| (ñ) Source for the USA: https://www.ssa.gov/oact/TRSUM/ . The information provided is a projection of the actuarial deficit of the system at 75 years (year 2094). |