International Federation of Pension Fund Administrators

Progress of the Pension Systems
December 2019 - January 2020
No.1

This document reports on progress in pension matters, being factually accurate while maintaining maximum simplicity and brevity. It compiles the major changes that occurred in the pension systems in the December 2019 - January 2020 period, with emphasis on the development of the individually funded systems

Document prepared by FIAP, based on press information. We thank FIAP member associations for the information and comments submitted.

Executive Summary by area of interest

New Pension Programs and Social Security Reforms (approved)

- ***Denmark:*** *An early retirement pension has been introduced for individuals who have completed long working careers and have seen their working capacity diminish. The pension specifically enables people with between 20 to 25 years of full-time employment (depending on the type of job) who were unable to work more than 15 hours a week in their most recent jobs, to receive a pension up to 6 years prior to the official retirement age.*
- ***Estonia:*** *The government implemented a measure that allows workers born between 1970 and 1982 to enroll in the individual accounts pension program.*
- ***Dominican Republic:*** *The President enacted amendments to the social security law, which among other aspects amend the surcharge on delayed payments to the Dominican Social Security System (SDSS), strengthen the Social Security Treasury (TSS) and the Bureau for Information and Defense of Members (DIDA) and amend the commission system implemented by the Pension Fund Managers (AFPs). The initiative envisages a reduction in the commissions on the balances managed by the AFPs from 1.4% to 0.85% by 2030.*
- ***Sweden:*** *The government introduces amendments to a social security law that will increase the flexible retirement age and change the way future adjustments will be made. The amendments will make the following changes: (i) The minimum retirement age for contributory pensions will increase from 61 to 62. (ii) The age at which employment protection ends will increase from 67 to 68 immediately, and will increase to 69 by 2023.*
- ***Vietnam:*** *Parliament adopted an amendment to the labor code that will gradually increase the retirement age from 60 to 62 for men and from 55 to 60 for women, as of January 2021.*

Crisis in public PAYGO systems

- ***Argentina:*** *The Sustainability Guarantee Fund lost 70% of its dollar value, ANSES warns. The official report shows that FGS assets totaled approximately US$ 70 billion to December 31, 2015. That value is now US$ 22 billion.*
- ***Costa Rica:*** *Insolvency issues in the PAYGO pension system (IVM) will start in 2021, according to study conducted by the Actuarial Department of the Costa Rican Social Security Fund (CCSS). The CCSS also announced that if no measures are implemented, the reserves will be completely exhausted by 2037.*
- ***Ecuador:*** *PAYGO pension fund could stop paying pensions by 2053. If the State does not meet its commitments, the agency will be left without reserves and will not be able to pay pensions within a few years, according to an actuarial report that reviewed the country's social security accounts.*
- ***Panama:*** *The PAYGO system's reserves could be exhausted by 2023. The CEO of the Social Security Fund (CSS) also explained that in 2000 there were 5.1 active contributors for each pensioner and only 2.3 for each pensioner in 2019. Systems must have five or more active workers per pensioner to prosper.*

Reforms proposed or to be discussed

- ***Chile:*** *Chamber of Deputies approved the bill reforming the pension system after more than one and a half years of discussion. The bill will have to be reviewed and approved by the Senate in March. The pension reform proposes an additional 6% of contributions, charged to the employer, 3% of which will be allocated to individual accounts, 2.8% to a PAYGO collective solidarity fund and 0.2% to a new dependency insurance. These resources will improve the pensions of current and future retirees.*
- ***France:*** *Government "temporarily" withdraws the reference retirement age of 64, included in the pension reform project after strong public protests. However, Prime Minister Edouard Philippe argued that he maintains the "government's willingness to build a universal pension system" and that he "will take the necessary statutory measures to strike a balance by 2027."*
- ***Puerto Rico:*** *Government reveals its new plan to withdraw individually funded accounts for public employees. This is the first phase of the new retirement system that will include 105,000 to 110,000 public employees.*

Relevant studies

- *World Bank publishes book proposing a package of protective policies applicable to the new world of work. These constitute risk sharing policies. Key messages from the study are: (i) the basis of the risk-sharing policy is the prevention of poverty and subsidized protection against catastrophic loss; (ii) with robust protection available to all, regardless of how they work, government mandates may be less distortive; (iii) Instead of protecting workers from change, governments can protect them for change, supporting transition and re-employment.*
- *The Credit Suisse Research Institute (CSRI) publishes a study calling for an urgent rethinking of pension systems due to population aging. Some of the observations in the study are: (i) one of the main victims of population aging is the pension system (ii) chronological age is no longer able to provide information regarding an individual's well-being. (iii) The retirement age must be raised and people must be encouraged or obligated to save more for retirement.*
- *An IZA World of Labor study warns of the need to redesign pension systems to accommodate demographic changes. According to the study, pension reform can improve social equality by balancing the interests of workers and retire.*

Investment options

- ***Uruguay:*** *The Central Bank of Uruguay (BCU) announced its proposal for investment limits for the AFAPs. This proposal sets out emission and investment limits per sector of activity and investment limits per trustee.*

Relevant reports or presentations

The World Bank published a [book](#) proposing a package of protection policies applicable to the new world of work, which is increasingly diversified and includes non-standard forms of work. The aforementioned policies are *risk-sharing policies*, which refer to the set of institutions, regulations and interventions that societies implement to help households manage disruptions in their livelihoods. Five key messages for policymakers are:

i. The basis of the risk-sharing policy is the prevention of poverty and subsidized protection against catastrophic losses, financed with general taxes.
ii. With robust protection available to everyone, no matter how they work, government mandates may be less distortive.
iii. Instead of protecting workers from change, governments can protect them for change, supporting transition and re-employment.
iv. Given the enormous resource and capacity constraints in most countries, a progressive universalization of risk-sharing coverage will be more fiscally viable and sustainable.
v. Digital technology can be leveraged to mobilize tax resources for greater coverage, providing protection more effectively, efficiently and equitably.

(***Source:*** ***http://documents.worldbank.org/***. ***Date: 2019***)

The Credit Suisse Research Institute (CSRI) publishes a study calling for an urgent rethinking of pension systems due to population aging. Some of the issues that the CSRI considers most noteworthy are:

i. Aged societies and the retirement wave: one of the main victims of this demographic trend is the pension system, since the increase in the number of pensioners contrasts with the ongoing decline in the number of taxpayers.
ii. The long road to sustainable retirement: first, the study aims to encourage or force people to save more for retirement during their working lives. Second, raising additional funds by raising taxes, has been proposed. Third, increasing the retirement age could be complemented with incentives to encourage people to work longer. Finally, it is suggested that people could accept lower pensions in the future to ensure the long-term sustainability of the system.
iii. Age is not what it used to be: chronological age fails to transmit information regarding an individual's well-being. Thus, basing the normal retirement age on a universal, rigid threshold does not reflect its multidimensional nature. In other words, the biological age no longer corresponds to the chronological age, and, for example, a 65-year-old Swiss citizen today is equivalent to a 51-year-old citizen in 1950.
iv. Attitudes towards retirement: People in developed countries are aware of the need for painful reforms and have already seen some measures implemented in their own countries. Thus, their expectations for future retirement benefits are somewhat lower. By contrast, retirement systems are still maturing in several developing countries and younger generations hope to achieve better coverage.
v. The changing face of retirement: for much of human history, life has consisted of at most two stages: education and work. Only over the past century has retirement completed the three-stage life cycle in many countries worldwide. But with increased life expectancy, the traditional three-stage path may not adapt to the new reality. A multi-stage approach is an option that could make a long working life much more attractive and therefore help ease the tension in pension systems.

[*Source*: https://www.credit-suisse.com/. ***Date: January 2020)***

An IZA World of Labor study *warns of the need to redesign pension systems to accommodate demographic changes.* Key job findings can be divided into the pros and cons of advancing pension reform:

Pros

i. Pension reform can improve social equality by balancing the interests of workers and retirees.
ii. By lowering labor costs, pension reform can reduce barriers to incorporation into the labor market.
iii. Pension reform can reduce fiscal distortions that discourage job creation.
iv. Reform can improve public finances by reducing subsidies to the pension system.
v. Greater transparency in institutions can lead to more rational decisions concerning savings, work and family.

Cons

i. Pension reform faces political obstacles due to opposition from those who are about to retire or have recently retired.
ii. The strong tendency to make the same choices as in the past, ignores changes in current conditions.
iii. The complexity of the pension system makes it difficult to see the need for reform and to assess its merits.
iv. If reforms involve financial markets, positive and negative externalities may arise.
v. Accounting applied to contributions originating in pension systems, misleads and tempts politicians to hide the true scale of indebtedness.

(Source: https://wol.iza.org/ ***. Date: April 2019)***

Relevant news of the period

Latin America, the Caribbean and North America

Argentina

The Sustainability Guarantee Fund lost 70% of its dollar value, ANSES warns. The official report, prepared by the National Social Security Administration (ANSES), shows that FGS assets totaled 664,029 million Argentine pesos, approximately US$ 70 billion, to December 31, 2015. That value is now US$ 22 billion.

The cause of this poor performance of FGS finances can be traced back to successive devaluations of the Argentine peso during Macri's Administration, which led to a 520% rise in the dollar price, with inflation running at 300 percent. With much of the FGS's investments in peso-denominated assets, devaluations decreased the overall value of the Fund. According to ANSES "Government securities have increased from 58% of the portfolio to 64%." This is one of the causes of FGS' vulnerability to peso devaluations.

Not even high interest rates, even above inflation, could curb the four-year increase in the value of the dollar.

(Source https://www.tiempoar.com.ar/***. Date: 12.01.2020)***

Brazil

Brazilians will work longer and have lower pensions, says Association. According to the Chairman of Abrapp (Brazilian Association of Closed Pension Funds), Luis Ricardo Martins, pension reform will force Brazilians to work and contribute to the INSS (National Social Security Institute) for longer, with the expectation of receiving lower old-age pensions.

Martins explained that "the simple PAYGO Social Security system, is doomed to failure. Numbers do not add up. We have fewer assets than retirees. Thus, people will work longer, contribute more to the general regime, receive less, and live longer."

To have quality of life in old age, people will have to save and seek a complementary private pension, said Martins. He also said that this would be a challenge, since Brazilians are not used to saving. Despite the above, Martins commented that Brazilians had begun to take an interest in the matter, due to the debate on pension reform.

(Source: https://economia.uol.com.br/***. Date 12.01.2020)***

Chile

On January 29, the Chamber of Deputies approved the bill reforming the pension system, after more than one and a half years of discussion. The bill will have to be reviewed and approved by the Senate in March. The main pension reform proposals are:

1) Additional 6% of contributions, charged to the employer, 3% of which will be allocated to individual accounts, 2.8% to a PAYGO collective solidarity fund and 0.2% to a new dependency insurance. This will be managed by the Social Security Administration (CASS).
2) Increased pensions for current pensioners: implies an increase in the monthly pension of 2 UF ($56,677) for men with 12 or more years of contributions, and an increase of 2.7 UF ($76,513) for women who have contributed for 8 or more years. In addition, pensioners who have contributed for 30 or more years will receive a monthly pension supplement of up to 10.6 UF ($300,383).
3) Pension increases for future pensioners: men and women who meet the requirements mentioned above will receive the amount mentioned in that point plus $1.134 of additional monthly pension for each year of contributions to the Solidarity Collective Fund. The requirement of 12 years of contributions for men and 8 years for women will increase to 15 years for men and 10 years for women.
4) Other changes to the pension reform: (i) When the actual return on the funds is negative and lower than that obtained from an analysis of similar assets, the AFPs will have to return up to 20% of the commissions charged to the individual savings accounts of their contributors; (ii) Commissions on investments will not be able to be charged through third parties in National Mutual Funds and the collection of other investment service commissions will be restricted; (iii) The AFPs must pay the funeral costs of deceased members who cannot cover this expense; (iv) Non-profit AFPs may be formed, such as cooperatives of members and subsidiaries of Non-profit Social Security Benefits Administrators, among others; (v) Finally, a number of changes are introduced so that members can participate in the management of the pension funds.

(Source:** https://www6.cuprum.cl/. **Date: January 2020)

Constitutional Court unanimously rejected withdrawal of AFP funds after hearing the allegations of the fund managers emphasizing the fact that the law states that these funds can only be used for paying pensions and that withdrawals could increase the state deficit. The applicants were María Angélica Ojeda, a teacher from Antofagasta, who sought to withdraw her pension savings from Cuprum, and Beatriz Valenzuela, who works in municipal health primary care, who wanted to withdraw all the money she had saved in Habitat.

The Lawyer, Alejandro Charme, on behalf of President Sebastián Piñera, had requested the rejection of the requirements, arguing that property rights had no bearing on this matter.

(Source: https://www.cooperativa.cl/. **Date 19.12.2019)**

Colombia

During his speech at the 2020 Colombian Grand Forum, the Chairman of Asofondos, Santiago Montenegro, said that the existing PAYGO pension system is a financial pyramid. This is because there were previously many young people and very few seniors, but this pyramid has narrowed at the base and acquired a bottle-like shape over the decades.

"What does that mean? That there are ever fewer active workers to finance seniors with their contributions. A time will come when this is no longer viable and cannot be maintained over time, which is why we call it a financial pyramid," says Montenegro.

The trade association leader stressed that what Colombia needs in pension matters is a solidarity pillar that covers at least the poverty line for all seniors, as well as a savings and individually funded system, which could be managed by Colpensiones, or by private funds.

(Source: https://actualicese.com/***. Date: 29.01.2020)***

Government is working on a new pension reform. The Ministries of Labor and Finance are jointly working to submit a proposal that guarantees a pension to all workers in the country, allowing them to access several benefits, such as life annuities. Labor Minister Alicia Arango said that the proposal is what she calls "a comprehensive reform of the retirement system," which will consider the views of citizens, congressmen, trade unions and research associations, among others. The Ministry of Finance is working on the reform, which will be submitted to Congress this year. The idea is to incorporate the 20 million workers who do not have any form of protection. No date has been set for submitting the proposal.

(Source: https://www.radionacional.co/***. Date: 29.01.2020)***

Costa Rica

Insolvency issues in the PAYGO pension system (IVM) will start in 2021, according to a study conducted by the Actuarial Department of the Costa Rican Social Security Fund (CCSS), the manager of the fund, based on data to December 31, 2018.

Costa Rica's leading pension system, the Disability Old Age and Death (IVM) regime, will start facing the first insolvency issues as of 2021. In that year, the contributions paid in by 1.7 million workers, 88,000 employers and the State will be insufficient for paying the pensions of 281,000 people and the interests of the reserve will start being used. The reserve will start shrinking by 2030 and will be exhausted in 2037.

"If the purpose were to finance the deficit through an overall average premium (contributions), it would have to be 24.8%," the document states, warning that the adjustment would have to be almost immediate. Other possible measures are the possibility of raising the retirement age to 67. Eliminating early retirement, which allows women to retire at 60 with 415 months of contributions, and men at 62 with 462 months of contributions, has also been proposed.

(Source: https://www.nacion.com/***. Date: 29.11.2019)***

According to former President Miguel Angel Rodríguez, the reforms to the private pension system would wipe out social security. Rodriguez questioned the Executive Branch for submitting the bill of law allowing the total withdrawal of the supplementary pension at the time of retirement and the early withdrawal of funds from the Labor Capitalization Fund (FCL), in the extraordinary sessions of Congress.

According to the former President, the two projects "severely affect social security" and would defeat the ends of the Workers' Protection Law, enacted in his administration, to ensure an adequate old-age pension for workers. "Submitting this bill of law to please a group of legislators does not justify the submittal and approval of these harmful bills of law in a period in which the Executive controls the agenda," Rodriguez said. The former President argued that the intention is to "disguise" both initiatives as an immediate solution to economic recovery, but at a very high cost in the long term. This is because the pension system would be jeopardized, creating poverty in old age for part of the population.

(Source: https://www.crhoy.com/***. Date: 02.12.2019)***

Ecuador

The PAYGO pension fund could be insolvent and stop paying pensions by 2053. The financial situation of the Ecuadorian Social Security Institute (IESS) is critical. If the State does not meet its commitments, the agency will be left without reserves and will be unable to pay pensions within a few years, according to an actuarial report that reviewed the country's social security accounts.

The state must pay 40% of the pension fund each year, amounting to approximately US$ 1.7 billion. Rafael Correa's government refused to pay this amount, and although this government has pledged to do so, experts say it has only delivered about US$ 500 million. "There are US$ 4 billion in the first scenario and US$ 70 billion in the second," said David Ruales, deputy director of the IESS. If the deficit continues, social insurance could be left without reserves by 2023 and could stop paying pensions by 2053. One of the options to discuss is increasing the retirement age, although there was also talk of raising the contributions of members.

(Source: https://www.ecuavisa.com/***. Date: 20.12.2019)***

El Salvador

Assembly creates a technical committee for pension reform. As agreed, this will be an inter-agency technical team comprising Assembly advisors and parliamentary groups, representatives of the Central Reserve Bank, the Ministry of Finance, the Financial Markets Commission and the Pension Funds (AFPs).

The Representative Juan José Martel, of the CD party, said that work on the proposals could start in January, considering that there are some 14 reform alternatives. The President of the Republic, Nayib Bukele, has also spoken on the matter, stating that the Executive was preparing a pension system reform proposal that will be submitted to the Legislative sector for its consideration in due course.

(Source: https://www.elsalvador.com/***. Date: 17.12.2019)***

Mexico

Bernardo González, Chairman of the Mexican Association of Pension Fund Managers (Amafore), spoke on pension reform in Mexico. The representative of the Trade Association said that "Mexico needs to immediately reform the existing pension system, which would include raising mandatory contribution and the number of months of contribution required for accessing a pension, in order to avoid poverty in old age." Gonzalez went on to explain that due to population aging worldwide, all the pension systems have been modified, and, in the case of Mexico, that the parameters applied in the 1997 reform had been miscalculated, since they granted low pensions in a labor market with high rates of informality. "Mexico's (system) was modified in '97, but the wrong parameters were applied; mandatory savings amounts are very low, resulting in low pensions, and on the other hand, the system requires 1,250 weeks of contributions, approximately 24 years of work, in a formal job that pays benefits when you have a labor market with very high rates of informality, and people constantly entering and exiting formal jobs to informal ones, and fail to contribute for those 24 years," he said.

(Source: https://www.imagenradio.com.mx/***. Date: 10.01.2020)***

Panama

The PAYGO system's reserves could be exhausted by 2023 if no prompt action is taken. While presenting the report on the agency's current situation, the CEO of the Social Security Fund (CSS), Enrique Lau Cortés, warned that the fund's reserves could be exhausted by 2023 if prompt action is not taken.

Lau Cortés said that 48 million balboas from the CSS reserve were used for the pension funds in 2018, some 200 million in 2019, and that the agency's current assets are 12.5 billion balboas, so it is estimated that they will be exhausted by 2023, if not well managed. According to the CEO, there is excessive bureaucracy in the agency, no managerial oversight and delayed payment of financial benefits to retirees and workers. He went on to explain that there were 5.1 active contributors for each pensioner in 2000 and 2.3 for each pensioner in 2019. However, for pension systems to prosper, there must be five or more active workers for each pensioner. "Our budget is huge, representing 27% of the national budget, and a large percentage goes to the Disability, Old and Death Program. 3.3 billion balboas went to the defined benefit program by September 2019, and 2.425 million to the mixed program. They are managed separately," he said.

(Source: https://www.telemetro.com/***. Date: 14.01.2020)***

Puerto Rico

The Government unveils its new individually funded pension plan for public employees. The executive director of the Puerto Rico Fiscal Agency and Financial Advisory Authority (AAFAF), Omar Marrero, and the executive director of the Pensions Commission, Luis M. Collazo, jointly announced the first phase of the new pension system, which will employ 105,000 to 110,000 civil servants. Collazo explained that "an attempt was made to implement this defined contribution plan in 2000 through the famous 2000 Reform, but the money was never set aside or kept in custody, and accounts were never individualized. So it was never a defined contribution plan as intended. The same happened with Law 3 of 2013, when another attempt at introducing a defined contribution plan was made. But it was also never implemented or successful, since the funds were never set aside or individualized." According to the new pension plan's website (https://plan106info.com/), the minimum mandatory contribution rate is 8.5% of the worker's salary, and can voluntarily rise up to 20%.

(Sources: https://www.metro.pr/; https://plan106info.com/ Date: 11.12.2019)

Dominican Republic

President of the Republic enacted amendments to the social security law. The bill of law amends the surcharge on delayed payments to the Dominican Social Security System (SDSS), strengthens the Social Security Treasury (TSS) and the Bureau for Information and Defense of Members (DIDA) and amends the commission system implemented by the Pension Fund Managers (AFPs). The initiative, submitted by the executive branch, envisages a reduction in the commissions of the AFPs from 1.4% to 0.85% by 2030.

(Sources: Dominican Association of Pension Fund Administrators (ADAFP) and https://www.eldinero.com.do/ . Date: 07.02.2020)

Uruguay

The new rules and regulations governing the investment limits of the AFAPs. In December 2018, the Central Bank of Uruguay issued a proposal on investment limits for the AFAPs. This was recently announced, in November 2019, and sets important limits:

i. Issuance limit: An investment limit on the same issue of NNs, in shares of a closed investment fund or in an issue of a financial trust, that cannot be more than 70% of the issue.
ii. Investment limit per sector of activity: Investments in instruments of paragraph B) corresponding to the same sector of activity, may not exceed 15% of the value of the Accumulation Sub-Fund assets. This limit is 20% for investments that finance infrastructure works (PPP).
iii. Investment limit per trustee: The sum of investments managed by the same investment fund manager or trustee may not exceed 20% of the assets of the Accumulation Sub-Fund.

(Source: https://www.elpais.com.uy/. Date: 07.01.2020)

Asia and the Pacific

Vietnam

Gradual increases in the retirement age are approved. Parliament adopted an amendment to the labor code that will gradually increase the retirement age from 60 to 62 for men and from 55 to 60 for women, as of January 2021. The rate of increase will be 3 months per year for men (up to 2028) and 4 months per year for women (up to 2035). According to the government, the amendment seeks to improve the financial sustainability of the social security pension program in view of the rapid aging of the population and increasing life expectancy.

The United Nations Population Division (UNPD) estimates that the dependency rate in Vietnam (population 65 years or older divided by population aged 15 to 64) will increase from 11.4% in 2020, to 32.8% in 2050, and to 52.6% by 2100. The UNPD has also predicted that life expectancy at birth will increase from 75.77 in 2020-2025 to 80.17 in the 2050-2055 period.

The increase in the retirement age is one of the latest in a series of reforms of the country's social security program. In 2014, a law extended the coverage of the program to more workers, changed the monthly basic wage used for calculating contributions, increased some minimum contribution requirements, and matched a component of the old-age pension formula for men and women.

(Source:* [International Update SSA](#)*. Date: December 2019)

Europe

Denmark

Early retirement is introduced for certain workers. On January 1, the Danish government introduced an early retirement pension called "Senior Pension" for individuals who have completed long working careers and have seen their working capacity diminished. The pension specifically enables people with between 20 to 25 years of full-time employment (depending on the type of job) who were unable to work more than 15 hours a week in their most recent jobs, to receive a pension up to 6 years prior to the official retirement age. Other key details of this plan include:

i. Employment register: To qualify for a pension with 20-24 years of full-time employment, at least some of the jobs must involve physically or mentally demanding work. With 25 years or more of full-time employment, the type of work is irrelevant.
ii. Ability to work: Individuals must be diagnosed as permanently unable to work more than 15 hours a week in their most recent employment of at least 12 months to qualify for the pension.
iii. Benefit amount: The monthly pension in 2020 is up to 19,092 Danish kroner (US$ 2,861.13) for single individuals, or 16,229 Danish kroner (US$ 2,432.08) for couples that are married or living together.
iv. Pension administration: Municipalities will initially be responsible for processing claims.

(Source:* [International Update SSA](#)*. Date: January 2020)

Estonia

On January 1, the government implemented a measure that allows workers born between 1970 and 1982 to enroll in the individual accounts pension program. The 30,000 eligible workers will have until November 30, 2020, to enroll in the program, and those who do so will start paying contributions in January 2021.

On August 12, 2019, the coalition government reached an agreement that would make the individual accounts program voluntary for workers born after 1982, and allow current participants to opt out of the program by transferring their account balances to personal pension accounts. However, parliament has not yet drafted the accompanying legislation, which was expected to be implemented on 1 January.

(Source:* [International Update SSA](#)*. Date: January 2020)

France

Government "temporarily" withdraws the reference retirement age of 64, included in the pension reform project after strong public protests. In a letter to the trade unions, the French Prime Minister, Edouard Philippe said: "In order to demonstrate my confidence in our social partners (...) I am willing to withdraw from the bill of law the short-term measure I had proposed, which consists in gradually converging, as of 2022, towards an equal retirement age of 64 by 2027"

Philippe also added that, although the Government is "willing to temporarily withdraw" this fixed reference age, it maintains its willingness to build a universal pension system" and that it "will take the necessary measures to strike a balance by 2027, by decree."

The national strike against the pension reform began on December 5, paralyzing public transportation, and strikes and protests have been organized in France since then. The government's reform aims to eliminate the 42 existing special regimes that grant privileges to certain professional categories, such as public transport. Instead, it seeks to establish a new points-based universal system, which according to the Government will be fairer and more transparent. But the unions fear that it will make millions of French citizens work longer for a lower pension.

(Source:* https://www.telesurtv.net/*. Date: 12.01.2020)

Sweden

On January 1, the government introduced amendments to a social security law that will increase the flexible retirement age and change the way future adjustments will be made. The reforms will affect the contributory pensions paid under the mandatory defined contribution notional individual accounts program and the non-contributory guaranteed pension. The amendments will make the following changes:

i. Minimum retirement age for contributory pensions: will increase from 61 to 62.
ii. The age at which employment protection ends will increase from 67 to 68 immediately, and will increase to 69 by 2023 (retirement is usually mandatory at this age).

According to the pension reform agreement reached between the political parties in 2017, the minimum retirement age for contributory pensions is expected to rise further, to 63 by 2023 and to 64 by 2026. Furthermore, the minimum retirement age for the guaranteed pension is expected to rise from 65 to 66 by 2023 and to 67 by 2026.

(Source: International Update SSA. Date: December 2019)