Federación Internacional de Administradoras de Fondos de Pensiones

Appendix 2
Parametric Reforms in the Public PAYGO Pension Programs
1995 – June 2025

This document brings together the main parametric reforms, both in the new reformed pension systems in which there is a public pay-as-you-go programme, and in the unreformed public pay-as-you-go systems, between 1995 and June 2025.

Main Parametric Changes in the Public PAYGO Programs - Detail by Continent and Country (2009-June 2025)

Continent	Country	Type of Reform				
		Increases in contribution rates destined to the public PAYGO program	***Increases in the normal retirement age***	***Adjustment of parameters in the benefits formula***	***Cutbacks or freezing of the amount of the old-age pension***	***Increases in Taxable Income or Maximum Taxable Ceiling***
Africa	*Cape Verde*	From 15% to 16% for employers, and from 8% to 8.5% for workers (from April 2016).				
	Egypt	Gradual increase, from 21% to 26% in 2055.	Gradual increase, from 60 to 65 years in 2040.	Use of the average salary of all working life to calculate the pension, instead of the average salary of the last 2 years.		
	Kenya	From 5% to 6%, for workers and employers (from May 2014; approved in December 2013)				
	Madagascar		Once only for women: from 55 to 60 (equals the age for men). (Approved and in force since June 2013)			
	Morocco	From 5% to 7% for employers and employees from 2019. (Approved in March 2016).	Gradual: from 60 to 63 from 2017 to 2022. (Approved in March 2016).			
	Rwanda	From 6% to 12% starting in 2025; starting in 2027, it will gradually increase by 2 percentage points per year, reaching 20% in 2030 (employers and employees will each continue to pay half of the total contribution rate). (Approved in January 2025)				

Source: FIAP.

Continues

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North America, Latin America and the Caribbean	*Argentina*		Optionally from 65 to 70 years for men and from 60 to 63 for women (Approved in Dec. 2017).	Change the way of calculating pensions, with less generosity; instead of increasing the amounts semiannually, pensions will increase quarterly and based on monthly inflation and the average salary of registered workers.		
	Brazil		Minimum retirement ages of 62 for women and 65 for men (there was previously no minimum retirement age; Approved in Nov. 2019)	Elimination of the sustainability factor for the adjustment of pensions, replaced with rule 85/95. Under rule 85/95, between 2015 and 2017 the sum of age and the number of years of Social Security contributions must be 85 for women and 95 for men. The law includes an increase of one point every two years in the rule, from 2018 to 2026, when the formula will change to 90/100, (90 points for women and 100 for men).		
	Canada	Province of Quebec creates an additional plan to the base plan, where worker and employer contribute 0.3 pp in 2019, until reaching 2 pp in 2023. Future increases are authorized (Approved in Feb. 2018).				Since Jan. 2024, a second taxable limit was introduced in the Canada Pension Plan (CPP), on which workers and employers pay an extra contribution rate (4% of annual income that exceeds USD 49,403 and up to USD 52,793 [second limit taxable]).
	Curacao	From 13% to 15% (increase financed solely by the employer). (Approved and in force since February 2013)	Once only for women: from 55 to 60 (equals the age for men). (Approved and in force since June 2013)	(i) Indexation of pensions is no longer automatically subject to the variation of the CPI; now the pension is adjusted only if the growth of the GDP is > 1%; (ii) the number of years of contribution required for qualifying for a pension increases from 45 to 50 years. (Approved and in force since Feb. 2013)		
	Costa Rica	From 9.16% to 10.16% (in force since Jan. 2018).	From 55 to 60 for public pensions with charge in the public budget. (Approved in August 2016).	Since 2024 the formula for calculating pensions will consider the best 300 reported salaries (25 best years, not necessarily consecutive), previously it considered the average of the last 240 salaries (last 20 consecutive years).		
	Cuba			The formula for calculating the highest pensions is modified, reducing them (approved in Nov. 2023 and in force since Jan. 2024).		
	Ecuador			Benefits will be adjusted only by the average rate of inflation of the previous year, starting in 2016. (Approved in April 2015).		

Source: FIAP.

Continues

Main Parametric Changes in the Public PAYGO Programs - Detail by Continent and Country (2009-June 2025)

Continent	Country	Type of Reform: Increases in contribution rates destined to the public PAYGO program	Increases in the normal retirement age	Adjustment of parameters in the benefits formula	Cutbacks or freezing of the amount of the old-age pension	Increases in Taxable Income or Maximum Taxable Ceiling
North America, Latin America and the Caribbean	*Guatemala*		Once only: 60 to 62 (new workers entering the labor market). (In force since Jan. 2011).	The number of years of contribution required for qualifying for a pension increases from 15 to 20 years. (In force since Jan. 2011).		
	Guyana	Rates funded by workers: from 5.2 to 6.2% (self-employed workers); 11.5% to 12.5% (self-employed workers). (In force since June 2013)				The maximum taxable ceiling almost doubled to reach USD 11,503. (In force since June 2013)
	Nicaragua	There is an increase to the INSS contribution, to companies with more than 50 workers from 19% to 22.5% of salary; to companies with less than 50 workers from 19% to 21.5% of the salary; to workers from 6.25% to 7%; and to the State from 0.25% to 1.75% of the salary. Disability, Old Age and Death Insurance (IVM) increased from 10% to 13.5% (Approved on Jan. 2019, effective as of Feb. 2019).	Increase in the number of weeks of contribution to access a full pension from 2.080 to 2.756. (Approved in Jan. 2019, in force from Feb. 2019).	The formula for calculating the pensions of workers with income > US$ 272 is modified, reducing their benefits with respect to prior rules. Minimum pensions will be calculated based on the average salary and not on the minimum wage. (Approved in Dec. 2013)	Reduction from 80% to 70% of the replacement rate of full pensions. (Approved in Jan. 2019, in force from Feb. 2019).	Elimination of the taxable ceiling. (Approved in Jan. 2019, in force from Feb. 2019).
	Saint Vincent and the Grenadines	In June 2024, the government implemented increases in contribution rates (from 4.5% to 5.5% for workers, and from 5.5% to 6.5% for employers); from Jan.2025 the contribution rate increases by 0.5 pp per year until reaching 7% and 8% for workers and employers, respectively, in 2027 (Approved in Jan.2024).				
	St. Maarten		From 60 to 62 starting in January 2018. (Approved in June 2016).			
	Uruguay		From 60 to 65 years old by 2040 (depending on the date of birth and years of contribution). (Approved in Apr.2023).	The calculation of the basic salary with which old-age pensions are calculated is changed; now the best 20 years will be taken (instead of the previous formula: whichever is more convenient between the average of the best 20 years and the average of the last 10 years). (Approved in Apr.2023).		
	Venezuela	New public fund is created, financed by an additional 9% contribution financed by the employer (in addition to the 9%-11% already paid to social security) (Approved May 2024).				

Source: FIAP.

Continues

Main Parametric Changes in the Public PAYGO Programs - Detail by Continent and Country (2009-June 2025)

Continent	*Country*	*Type of Reform*				
		Increases in contribution rates destined to the public PAYGO program	***Increases in the normal retirement age***	***Adjustment of parameters in the benefits formula***	***Cutbacks or freezing of the amount of the old-age pension***	***Increases in Taxable Income or Maximum Taxable Ceiling***
Asia-Pacific	*Australia*		Gradual: from 65 to 67 from 2017 to 2023. In May 2014 was approved another increase from 67 to 70 by 2026.	(i) Pensions will be adjusted to the CPI only. (ii) Tighten the asset test to access an public pension (Approved in May 2014, in force from Sep. 2017).		
	Azerbaijan		Gradual: from 62 to 63 (men); from 57 to 60 (women) (approved in Oct. 2008; in force as of Jan. 2010)			
	Bahrain	From 19% to 27% (enacted in April 2022).		(i) Old-age pension amounts will be based on a less generous formula (considers average monthly income of the last 5 years of contributions, instead of the last 2); (ii) Old-age pensions will only be adjusted in years in which the social security fund has a surplus (previously they were automatically increased by 3% in January of each year). (changes enacted in April 2022).		
	China		Starting from Jan. 2025, gradually over a period of 15 years, from 60 to 63 years for men, from 55 to 58 years for women in administrative jobs, and from 50 to 55 years for women in manual jobs (Approved in Sept. 2024).			
	Irak	From 17% to 25% for workers not employed in the gas/oil sector. (Approved Dec. 2023)		The reference income for calculating benefits is modified, going from the average income of the last 3 years to the average income of the last 5 years (less generous formula). (Approved Dec. 2023)		
	Israel		Gradual: from 62 to 65 years only for women. The new law increases the normal retirement age by 4 months per year, from 2022 to 2024 (until reaching age 63) and by 3 months a year from 2025 to 2032.			
	Japan		Law in force since April 2021, gives companies the option so that their workers delay retirement age, from 65 to 70 years.	Change in the way in which current benefit payments are adjusted, and restricting future increases of pensions in relation to wages and inflation. (Approved in Dec. 2016)		
	Kazakhstan	From 1.5% to 2.5% starting in 2025 ((increasing to 3.5% in 2026; to 4.5% in 2027; and to 5% starting in 2028) (Approved Jan.2025).	Gradual: from 58 to 63 (women), matching the age for men. (Approved in June 2013; in force as of Jan. 2018).			
	Oman	From 21% to 24%: from 6.5% to 7% (workers); from 10.5% to 11.5% (employers); from 4 to 5.5% (State). (Approved Nov. 2013, in force since Jul. 2014).				
	Qatar	Contribution rates for employees and employers will gradually increase from 5% to 7% of gross monthly earnings. (Ratified in April 2022),			The penalties for each year in which the old-age pension is claimed before the normal retirement age (60 men or 55 women) will increase from 2% to 3%. (Ratified in April 2022),	Housing allowances will also be considered taxable income (it is common for employees to receive housing allowances as part of their salary). (Ratified in April 2022),
	Philippines	From 10.4% to 11% (approved on Oct. 2013; in force as of Jan. 2014). From 11% to 12.5% (in force as of May 2017).				
	Saudi Arabia		The official retirement age for women in the public PAYGO system was increased from 55 to 60, equal to retirement age of men.			

Source: FIAP.

Continues

Main Parametric Changes in the Public PAYGO Programs - Detail by Continent and Country (2009-June 2025)

Continent	*Country*	*Type of Reform*				
		Increases in contribution rates destined to the public PAYGO program	***Increases in the normal retirement age***	***Adjustment of parameters in the benefits formula***	***Cutbacks or freezing of the amount of the old-age pension***	***Increases in Taxable Income or Maximum Taxable Ceiling***
Asia-Pacific	*South Korea*	Starting in 2026, it will gradually increase (by 0.5 percentage points per year), rising from 9% to 13% in 2033 (employers and employees will each continue to pay half of the total contribution rate). (Approved in March 2025)	Gradual increase from 60 to 65 years of age, from 2016 to 2033. (Approved in 2013; applicable as of January 2016 in private enterprises with more than 300 employees and all public companies; applicable to all other enterprises as of 2017.			
	Vietnam		Gradually from 61 to 62 years for men in 2028, and from 56 years and 4 months to 60 years for women in 2035 (the normal retirement age began to increase in 2021 under a reform enacted in 2019).	The number of years of contributions required for men to access a full old age pension increased from 15 to 20 years (this change has been in effect since Jan. 2016); the rate of increase in pensions for each year of contributions after 15 years of service, will drop by 1 percentage point (change in effect as of 2018).		The taxable income for paying Social Security contributions was increased (change in effect since Jan. 2016)
	United Arab Emirates	From 5% to 11% for workers; from 12.5% to 15% for private sector employers (for the public sector, the rate remains unchanged at 15%) (Reform announced in Nov. 2023).	From 50 to 55 years (Reform announced in Nov. 2023).	(i) To access an old-age pension now workers are required to have contributed for at least 30 years instead of 20; (ii) To calculate the old-age pension, the average salary of the last 6 years will now be used (instead of the last 5 for the private sector, and the last 3 for the public sector). (Reform announced in Nov.2023).		The maximum taxable limit for private sector workers increases from 50 thousand to 70 thousand dirhams. (Reform announced in Nov.2023).

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Continues

Main Parametric Changes in the Public PAYGO Programs - Detail by Continent and Country (2009-June 2025)

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Europe	*Andorra*	From 2.5% to 3.5% (worker); from 7.5% to 8.5% (employer). (Approved in July 2013; in force as of Jan. 2014).		(i) The number of years of contribution required for qualifying for a pension increases from 15 to 20 years; (ii) pension indexing will be based on the variation of the CPI, salaries and the sustainability factor (contributors/pensioners ratio). (Approved in July 2013; in force as of Jan. 2014)	Reduction of pensions greater than 150% of the minimum monthly wage. (Approved in July 2013; in force as of Jan. 2014).	
	Austria				Penalty for early retirement reduces the old-age pension by 4.2% for each year that it is claimed before the age of 65 in the case of men (Approved in Jan.2022).	
	Belgium		Gradual: from 65 to 66 by 2025, and 67 by 2030. (Approved in Aug. 2015).	The number of years of contributions required for obtaining an early pension increase from 40 to 41 in 2017, and to 42 in 2019.		Definition of taxable income extended: now includes monetary compensation for termination of employment relationship or breach of contract (retail workers). (In force since Oct. 2013)
	Belarus		Gradual: from 60 to 63 (men) and from 55 to 58 (women) by 2023 (6 months per year; approved in April 2016, in force since Jan. 2017).	The minimum number of years of contribution required for accessing a pension increases from 5 to 10 years. (Approved in Sept. 2013; in force as of Jan. 2014).		
	Bulgaria	Increase of the overall old age, disability and survival contribution rate (employer + employee) of 1 percentage point per year in 2017 and 2018, from 17.8% to 19.8% of the gross salary of the worker (approved in July 2015; in force as of Jan. 2016).	Gradual until 2029: from 63 to 65 (men); from 60 to 63 (women). (Initially approved in Dec. 2010; and reapproved in Jul. 2015; in force as of Jan. 2016). The retirement age for both men and women will be 65 starting in 2037. Thereafter the retirement age will be linked to the increase in life expectancy. Workers with insufficient contributions will be allowed to take early retirement at 65 years and 10 months, until 2016, increasing gradually to 67 years of age as of 2017.	The required minimum number of years of contributions for accessing a full pension will increase gradually from 34 to 37 for women, and from 37 to 40 for men. (Approved in Dec. 2010; and reapproved in July 2015; in force as of Jan. 2016).		

Source: FIAP.

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Europe	*Croatia*		Legal retirement age for women (62 years and 4 months from January 2019) will gradually increase by 4 months per year until reaching 65 in 2027, matching the retirement age of men. From then on, the retirement age for men and women will increase at the same rate			
	Czech Republic		Gradual: from 65y in 2030 to 67y (men and women) by 2050. (Approved in Dec. 2024).	The new old-age pensions are being reduced through two changes to the calculation formula: (i) Reduction of the income base: Currently, the pension calculation base includes 100% of indexed monthly income up to approximately US$845 and 26% of income above that amount up to approximately US$7,682. Starting in 2026, the first percentage point (100%) will be reduced by 1 percentage point per year until it reaches 90% in 2035. (ii) Reduction of the replacement rate: The rate that determines the earnings-related benefit, currently 1.5% for each year of contributions, will be reduced by 0.005 percentage points per year (until it reaches 1.45% in 2035). (Approved in December 2024).		Increase in the maximum taxable ceiling, from 48 to 72 times the national average monthly wage. (In force since Jan.
	Denmark		Gradual: from 68y in 2030, to 69y in 2035, and up to 70y in 2040, for those born from 1971 onwards (Approved May 2025).	Increase the requirement of years of residence in the country to access full pension to 90% of working life (effective as of Jul. 2018).		
	Estonia	Transitory increase from 16% to 20% in 2010; drops from 20% to 18% in 2011; and from 18% to 16% in 2012. (Approved in 2009).	Gradual: from 63 to 65 (men) and from 60 to 65 (women), by 2026. (Approved in April 2010, will be enforced as of 2017).			
	Finland		Gradual increase in minimum retirement age from 63 to 65 by 2025, and maximum retirement age from 68 to 70. From 2025 onwards, the retirement age will be adjusted according to life expectancy, with maximum increases of 2 months per year (reform approved in February 2016, in force since Jan. 2017).	The discount factor on income throughout working life will be standardized at 1.5% and income earned from the age of 17 will be considered. (In force since Jan. 2017).		

Source: FIAP.

Continues

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Continent	*Country*	*Type of Reform*				
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Europe	*France*	Gradually, from 6.75% to 7.05% (workers) and from 8.4% to 8.7% (employer), from 2014 to 2017. (Approved in Dec. 2013)	Gradual: minimum retirement age rises from 60 to 62. (Approved in Dec. 2011). Gradual: minimum retirement age rises from 62 to 64 years by 2030 (Approved in Apr.2023).	The minimum number of years of contribution required for accessing a pension increases gradually from 41.5 to 43 years, from 2020 to 2035. (Approved in Dec. 2013). Subsequently, the calendar is accelerated, and the requirement for years of contributions will go from 42 to 43 years by 2027. (Approved in Apr.2023).		
	Germany		Gradual: from 65 to 67, by 2029. (Approved in March 2007; in force since 2012).			Increase of the tax ceiling from 72,600 EUR (approx. US$ 79,562) to EUR 74,400 (approx. US$ 81,534) in Western Germany and from EUR 62,400 (approx. US$ 68,384) to EUR 64,800 (approx. US$ 71,014) in Eastern Germany (in force as of January 2016).
	Greece		(i) Gradually, from 60 to 65 (women) from 2011 to 2013 (approved in May. (ii) Gradual increase, from 65 to 67 by 2020; from then on and every 3 years, the retirement age will be adjusted on the basis of life expectancy (approved in Nov. 2012).	The minimum number of years of contribution required for accessing a pension increases gradually from 37 to 40 years, as of 2015. (Approved in June 2010); (ii) As of 2014, pensions will be indexed according to the variations of the CPI and will be calculated by taking the average salary of the entire career as a reference (instead of taking the 5 years of best wages of the last 10 years prior to retirement).	(i) Freezing of pensions in 2011-2013 (Approved in June 2010); (ii) Freezing of pensions extended to 2015 (approved in June 2011); (iii) Reduction of monthly pensions > US$ 1,299, between 5% - 15%.	
	Hungary		Gradual: from 62 to 65, by 2022. (Approved in May 2009).	Change in the way that pensions provided in the PAYGO system are indexed, subject to conditions of economic and wage growth. (Approved in May 2009).		

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Continues

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Europe	*Iceland*	Increase from 10% to 11.5% for occupational pensions as of July 2018.				
	Ireland		Gradual: from 66 to 67 by 2021; and from 67 to 68 by 2028. (Approved in June 2011).			
	Italy		Gradual: (i) from 61 to 65 (women in the public sector), as of 2015. (Approved in July 2010); (ii) from 65 to 66 (men) and from 60 to 62 (women), starting in 2012; will increase to 67 by 2022; from 2013 the retirement age will be adjusted in accordance with the variation in life expectancy (approved in Dec. 2011). Under the new 2022 budget law, the sum of age and contributions for obtaining a pension must be 102, and the minimum retirement age 64 years old.	Increase in the number of years of contributions necessary for obtaining an early pension, to 42 years and one month for men and 41 years and one month for women, based on life expectancy (+ 3 months, starting in 2013).(Approved in Dec. 2011).	Freezing of pensions exceeding USD 1,825) during 2012 and 2013. (Approved in December 2011).	
	Latvia		Gradual: from 62 to 65, between 2014 and 2025 (approved in May 2012).	The number of years of contributions required for accessing a pension increases from 10 to 15 years by 2014, and from 15 to 20 years by 2025.	Reduction of pensions by 10% between July 2009 and Dec. 2012; pensioners who work will only receive 30% of the State pension (Approved in 2009).	

Source: FIAP.

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Europe	*Lithuania*	(i) Increase from 23.85% in 2008 to 26.35% until June 2009; from July 2009 to Dec. 2011, increased to 27.35%; in 2012 rose to 27.85%; and in 2013 dropped to 26.85% (for workers who pay a % of their social security contribution to individual accounts). (Approved in 2009; amendments in 2011); (ii) Increase from 26.85% to 27.35% in 2014 (approved in Nov. 2012).	Gradual: from 62.5 to 65 (men) and from 60 to 65 (women), from 2012 to 2026. (Approved in June 2011).	Increase in the number of years of contributions required for accessing a full pension, from 30 to 35 years, as of 2017. (Approved in June 2016)		A tax ceiling of a 120 times the average annual salary will be implemented as of 2017; it will be gradually reduced to sixty times the average annual wage by 2022. There was previously no tax ceiling. (Approved in June 2016).
	Luxembourg			Gradual modification (by 2052) of the benefits formula in two parts: (i) fixed portion, which depends on the number of years of paid-in contributions, which will increase slightly; and (ii) variable portion, which depends on the level of income, and will decrease significantly. As a result, workers must work 3 years more than what they work today in order to obtain a pension equal to the levels granted in 2012. (In force since Jan. 2013)		
	Malta		Gradual: from 61 to 65 (men) and from 60 to 65 (women), from 2007 to 2027. (In force since 2007).			
	Monaco	From 6.15% to 6.55% (workers) and from 6.15% to 6.95% (employers). (In force since Oct. 2012).		The pension calculation formula will be based on a points system, making it less generous. (In force since Oct. 2012).		
	Netherlands		Gradual: On July 2 the parliament approved to modify the schedule of increases in retirement age. Retirement age will remain at the 2019 level (66 years and 4 months) until 2021, and will rise to 66 years and 7 months in 2022; to 66 years and 10 months in 2023; and will reach 67 in 2024. Starting in 2025, the retirement age will automatically increase based on increases in life expectancy at 65 years.	The maximum benefit has been lowered through the modification of the benefit formula by further reducing the maximum annual accrual rate from 2.15% to 1.875% of average earnings. Another measure will set a ceiling on pensionable earnings at EUR 100,000 (USD 108,248) a year. (Approved in Jan. 2015).		

Source: FIAP.

Continues

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Europe	*Norway*	From 18.8% to 19.6%: from 7.8 to 8.2% (workers) and from 11% to 11.4% (employers). (In force since Jan. 2011).	Introduction of flexible retirement between age 62 and 75; workers can collect a pension and continue working; (under the current rules, the retirement age is 67, but it can be deferred up to age 70, gaining a credit to obtain a higher pension). (In force since Jan. 2011)	(i) Changes in the benefits calculation formula, based on the average contributions throughout working life from age 13 to 75, plus credits for periods with no paid-in contributions due to unemployment; (ii) Pensions will be adjusted annually based on the growth of wages, less 0.75 percentage points (benefits will not be adjusted downwards in case of wage reductions); (iii) pensions will be adjusted in accordance with the "longevity factor" based on the age of the individual at the time of retirement. (In force since Jan. 2011)		
	Poland	From 18.22% to 23.22% as of May-Dec. 2011 (due to the reduction in the contribution to individual accounts by 5 pp); in 2012 it rose by 2 pp to 25.22% (due to the increase of the part destined to the disability and survival insurance managed by the State); Starting in 2014, for workers who choose to keep contributing to a private fund, the contribution rate to individual accounts will increase by 0.12 pp, and therefore the part destined to the public system will drop to 24.6% (signed into law by the President in Dec. 2013; pending final approval).				

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Europe	*Portugal*	From 11% to 11.2% for all workers (announced in April 2014).	From 66 to 66 years and 3 months (automatic increase, approved in April 2016, in force since January 2017).	(i) Modification of the sustainability factor for calculating pensions starting in 2015 (now life expectancy in 2010 and not 2006 will be used as the basis), which implies a reduction in the initial pension of 12.34%. (Approved in Dec. 2013). (ii) Introduction of a balance factor—a new way of adjusting pensions—based on the relationship between revenues and expenditures (announced in April 2014, but no implementation date was established).	(i) Freezing of public pensions since 2010; ((ii) Introduction of special pension tax on pensions > USD1,985 per month. (Approved in 2010).	
	Romania		Gradual: from 63y 9m to 65 (men) (Approved in December 2010); and from 62y 1m to 65 (women) by 2035 (Approved in Nov. 2023).	(i) Requirement of years of contributions to be entitled to a full pension increases from 30 to 35 years (men) towards 2030 (approved in December 2013); and from 32y 4m to 35 years (women) from Jan.2035 (approved in Nov.2023); (ii) Change the public pension indexation system for a much less generous scheme (public pensions will now increase according to the CPI plus salary growth). (Approved in Dec. 2010).	Freezing of pensions for 2011. (Approved in Dec. 2010).	
	Russia	From 20% in 2010 to 26% in 2011 (approved in Jul. 2009; in force since 2010). Starting in 2014, in the case of workers who do not choose a non-State private Fund (contributing to the State fund manager, by default), the contribution rate to the PAYGO pillar will increase by 4 percentage points. (Approved in Dec. 2013)	The normal retirement age will increase by 1 year each year, from 60 to 65 years for men and from 55 to 60 years for women (Approved in Oct. 2018, in force since Jan. 2019).	Gradual increase in the minimum number of years of contributions required to qualify for a public pension, from 6 to 15 by the year 2024. (Approved in Jan. 2015).	The indexing of public pensions based on inflation was suspended as of the second half of 2016. (Approved in Aug. 2016).	

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Continent	Country	Type of Reform: Increases in contribution rates destined to the public PAYGO program	Increases in the normal retirement age	Adjustment of parameters in the benefits formula	Cutbacks or freezing of the amount of the old-age pension	Increases in Taxable Income or Maximum Taxable Ceiling
Europe	Slovakia	From 9% to 14% (increase financed only by the employer). (In force since Sept. 2012).	Gradual: from 60 to 62 (men by 2007); from 53/57 to 62 (women; by 2015). (Approved in 2003) In April 2019, a constitutional amendment was approved that limits the increase in the retirement age once it reaches 64 years.			
	Slovenia		Increase linked to the number of years of paid-in contributions: from 58 to 60 years (men) and from 57 years &4 months to 60 years (women), with at least 40 years of contributions; from 63 to 65 (women), with at least 15 years of contributions. (In force since Jan. 2013)	Less generous indexation of pension: the 24 years of highest income will be taken into account (instead of 18). (In force since Jan. 2013)	Freezing of pensions in 2011 (they increase in 2012 only if inflation > 2%). (Approved in September 2010)	
	Spain	The "Intergenerational Equity Mechanism" (MEI) is established, through an additional contribution to Social Security of 0.6% between 2023 and 2032 (0.5% paid by the employer and 0.1% by the worker) Approved in Dec 2021. Subsequently, the period of application of the MEI is extended until 2050, and its percentage is increased until it reaches 1.2% in 2029 (doubling the current 0.6%). (Approved in Mar. 2023). In addition, a solidarity contribution surcharge is established for people with higher salaries, which would go from 1% in 2025 to 6% in 2045 (% over the excess of the maximum contribution base). (Approved in Mar. 2023).	Gradual: from 65 to 67, by 2027. (Approved in Aug. 2011; in force since Jan. 2013)	The number of years of calculation for the calculation of the Regulatory Base of the pension increases from 15 to 25 years, gradually towards 2022; (ii) The number of years of contribution to receive a full pension (100% of the Regulatory Base) increases from 35 to 37 years of contributions by 2027 (Approved in Aug. 2011; in force since Jan. 2013); (iii) Introduction of "Appreciation Rate" which adjusts pensions by a minimum of 0.25% and a maximum equivalent to the CBI of the previous year + 0.5% if economic situation is favorable. The calculation period would remain at 25 years if it would not be more beneficial to consider a total of 27 years (29 years minus the two worst years). This would be applied gradually from 2027 to 2038) (Approved in Mar.2023).		The maximum taxable ceiling for social security (general regime) was increased by 1.7% in 2022 compared to 2021, going from EUR 4,070.1 to EUR 4,139.4 (Order enters into force on April 1, 2022, not However, it applies retroactively from January 1, 2022). The maximum contribution base will increase by 38% between 2024 and 2050 (accumulated increase, considering the additional percentage applied above the revaluation in the CPI). (Approved in Mar. 2023).

Source: FIAP.

Continues

Main Parametric Changes in the Public PAYGO Programs - Detail by Continent and Country (2009-June 2025)

Continent	Country	Type of Reform: Increases in contribution rates destined to the public PAYGO program	Increases in the normal retirement age	Adjustment of parameters in the benefits formula	Cutbacks or freezing of the amount of the old-age pension	Increases in Taxable Income or Maximum Taxable Ceiling
Europe	Sweden		Minimum retirement age for contributory pensions will increase from 62 to 63 years (Approved in Jan.2023).			
	Switzerland		Normal retirement age for women will increase from 64 gradually, 3 months a year from 2025 until it reaches 65 years in 2028. (Approved in Sept. 2022).			
	Ukraine		Gradual: from 55 to 60 (women), from October 2011 to April 2021 (the last increase in the retirement age of women occurred from April 1, 2021, from 59 years and 6 months to 60 years); from 60 to 62 (male public servants) from Jan. 2013 to 2016. (Approved in Sept. 2011).	The number of years of contributions required for accessing a full pension increases from 20 to 30 years (women) and from 25 to 35 years (men).; (ii) The number of years of contributions required for accessing a minimum pension increases from 5 to 15 years; (iii) from 2012, the average national salary of the last three years will be used for calculating the pension (approved in Sep. 2011); (iv) As of July 2013, pensions are indexed with a flexible formula, which considers the variation of the CPI and always an adjustment of at least 20% of the wage increase; (v) From April 1, 2021, the minimum years of contributions required for an old-age pension before 65 years of age increased, from 27 to 28 (for retirement at ages 60 to 62) and from 17 to 18 (for retirement at the age of 63 to 64).		

Source: FIAP.

Continues

Main Parametric Changes in the Public PAYGO Programs - Detail by Continent and Country (2009-June 2025)

Continent	*Country*	*Type of Reform*				
		Increases in contribution rates destined to the public PAYGO program	***Increases in the normal retirement age***	***Adjustment of parameters in the benefits formula***	***Cutbacks or freezing of the amount of the old-age pension***	***Increases in Taxable Income or Maximum Taxable Ceiling***
Europe	*United Kingdom*		Gradual: from 66 to 67 between 2026 and 2028 (approved in May 2014); and from 67 to 68 years between 2037 and 2039 (approved in July 2017). The retirement age is equal between men and women. (Approved on Nov. 2018).	(i) Increase in the number of contribution years required to access to a full benefit from 30 to 35. (ii) Benefits will be indexed annually by at least the increase in average earnings (Currently benefits are adjusted to the growth in average earnings and price increases, or by 2.5%, whichever is higher) (Approved in May 2014, in force from April 2016).		

Source: FIAP.

Description of some parametric reforms introduced or approved (2009 - June 2025 period)

A. Africa

Egypt

On January 1, 2020, the government implemented a new law that makes major changes to the country's social security pension system, including coverage, financing, qualifying conditions, benefit formulas, and benefit adjustments. The new law (Law No. 148 of 2019) replaces many existing social security laws and regulations, and consolidates several different social insurance programs into one. Key provisions of the new law affecting old-age pensions (effective as of January 1) include:

- ✓ Contribution rates: Worker and employer contribution rates are 9% and 12% of monthly gross salary, respectively (previously, workers' and employer contribution rates were 10% and 15%, respectively). Workers' and employers' contribution rates will each increase by 0.5 percentage points every 7 years until the combined rate reaches 26% by 2055.
- ✓ Qualifying conditions: While the official retirement age remains unchanged at 60 for the time being, it is scheduled to increase to 61 on July 1, 2032, and by an additional year every 2 years thereafter, until it reaches 65 in 2040. The minimum number of months of contribution required to qualify for an old-age pension at the official retirement age will also increase from 120 months to 180 months by 2025.
- ✓ Early retirement: As of 2025, an insured person may claim a reduced old-age pension at any age prior to the official retirement age, if he or she has at least 300 months of contributions (currently 240 months) and is entitled to a monthly pension that is at least equal to the minimum monthly pension, or 50 percent of his or her last monthly income, whichever is greater.
- ✓ Benefit formula: The old-age pension replacement rate is still 2.22% of the insured's average annual income for each year of contributions, but average annual income is now calculated based on the insured’s lifetime income (adjusted for inflation) rather than their last 2 years of pre-retirement income. The new formula only applies to periods of employment from the date of implementation of the new law. (The above formula still applies to periods of employment prior to the implementation date).
- ✓ Minimum and maximum pensions: The minimum monthly pension is 65% of the minimum monthly income used for calculating contributions. The maximum monthly pension is 80% of the insured's average monthly covered income, or 80% of the maximum monthly income used for calculating contributions, whichever is less.
- ✓ End-of-service benefit: The new law replaces the Social Security End of Service Benefit with one based on individual accounts. To finance the benefit of the individual account, workers and employers each contribute 1% of the total monthly income covered, or 1% of the payroll. When an insured person retires, he or she receives the balance from his or her account (total contributions plus accrued interest) as a lump sum. The new benefit only applies to periods of employment from the date of the implementation of the new law. (The above benefit still applies to service periods prior to the implementation date).
- ✓ Benefit adjustment: The pension amount is automatically adjusted in July of each year, based on changes in the national consumer price index, with a maximum annual increase of 15%. (Previously, adjustments were made at the discretion of the authorities). (Source: Social Security Administration; Feb. 2020).

Kenya

- On December 24, 2013, the Government signed the National Social Security Fund (NSSF) Law No. 2013, which increases the contribution rate of workers and employers from 5% to 6% of the employee’s gross salary, respectively. According to available information, the change should have been implemented as of January 1, 2014, but has now been postponed to May 31, 2014. Further details here. (Source: www.towerswatson.com; 29.01.2014).

Madagascar

- On July 2, 2013, the National Social Security Fund issued a Decree immediately increasing the retirement age for women from 55 to 60, making it equal to the retirement age for men. Women can still retire at 55, but with a reduced state pension. The law came into effect on July 16, 2013 (see official Circular). (Source: www.mercer.com; www.cnaps.mg; 18.10.2013).

Morocco

- A law that gradually increases the retirement age for men and women from 60 to 63 by 2022, was passed in March 2016. (Source: Global Retirement Update AON; July 2016).

Rwanda

- On January 1, 2025, the government implemented a presidential decree increasing the contribution rate to the country's social security pension program from 6% to 12% of covered monthly earnings. The decree also provides for annual increases of 2 percentage points in the contribution rate between 2027 and 2030, with a final rate of 20%. As before, employees and employers each pay half of the total contribution rate, although employers may cover part or all of their employees' contributions. These increases are part of a government effort to improve the sustainability of the social security program, boost the adequacy of benefits, and strengthen domestic capital markets. Notably, the contribution rate had remained unchanged since 1962, despite the increase in average life expectancy in Rwanda from 43 to 69 years. (Source: International Update SSA; Date: April 2025).

B. North America, Latin America and the Caribbean

Argentina

- The government was able to approve the Argentine pension reform law. Approved on December 19, the law increases the retirement age optionally from 65 to 70 years for men and from 60 to 63 for women, it also changes the way of calculating pensions (with less generosity; instead of increasing the amounts semiannually, pensions will increase quarterly and based on monthly inflation and the average salary of registered workers) to lower the estimated fiscal deficit by 5% of GDP. It is estimated that the law will imply a fiscal saving of approx. USD 5,600 million per year. (Source: www.teledoce.com, www.emol.com; 19.12.2017).

Brazil

- At the beginning of November, 2015, President Dilma Rousseff vetoed aspects of Law 13.183 that creates new alternative rules of retirement. From now on, rule 85/95 is in force, allowing workers to retire without the reduction applied for the safety factor in place until now (formula applied to the value of the pension, which takes into account the number of years of contribution, the age and the life expectancy of the insured). Under rule 85/95, the sum of the retirement age and the number of years of Social Security contributions must be 85 for women and 95 for men. The law, already published, includes an increase of one point every two years in the rule, from 2018 to 2026, when the formula will change to 90/100, (90 points for women and 100 for men). The minimum contribution period will remain unchanged at 35 years for men and 30 years for women. This 85/95 progressive rule is expected to save up to USD 16,386 million in pension expenditure by 2016, i.e. savings equivalent to 0.5% of the country's GDP. (Source: www.reportesur.info; http://mundo.sputniknews.com; 05.11.2015).
- On November 13, 2019, the Congress of this country enacted the Constitutional Amendment Project of the pension reform, which changes the rules of retirement and pension. The text establishes a minimum retirement age of 62 years for women and 65 years for men (before the reform there was no minimum retirement age), in both cases with a minimum contribution time of 15 years. Men entering the labor market after the reform will have to make a 20-year contribution. The amendment also changed the rules for public employees, teachers, police, death pensions, disability pensions, and the disabled. The

savings for the public treasury estimated with the reform reaches some 800,000 million reais (approx. USD 190,000 million) in 10 years. The pension reform does not include state or municipal employees, only private workers and federal public employees. (Source: http://spanish.xinhuanet.com; 11/13/2019).

Canada

- On February 22, 2018, Québec's National Assembly passed a law that expands the Québec Pension Plan (QPP) by introducing a new component (the additional plan) to the current program (the base plan). (The QPP is an earnings-related pension program that covers employed and self-employed workers in the province.) The law largely follows the framework of a 2016 federal law expanding the Canada Pension Plan (CPP) and will be phased in gradually from 2019 to 2025. (The CPP covers employed and self-employed workers in every province except Québec; the CPP and QPP share many of the same program rules, with minor differences in areas such as contribution rates and benefit levels.) According to the provincial government, the QPP expansion is intended to improve retirement security for future generations, maintain intergenerational fairness, and strengthen the program's long-term financial sustainability. At present, employers and employees each contribute 5.4 percent of covered payroll or earnings, respectively, to the QPP base plan. The minimum annual earnings used to calculate contributions are C$3,500 (US$2,721.25), and the maximum annual earnings used to calculate contributions (the Maximum Pensionable Earnings, or MPE) are C$55,900 (US$43,462.30). (The MPE is adjusted annually according to changes in the average industrial wage.) The QPP old-age pension (base plan) generally replaces one-quarter of a worker's average monthly covered earnings during the entire contribution period. Starting January 1, 2019, the additional plan will supplement the base plan, and its key features will include:
  - Contribution rates: Employers and employees will contribute a combined 0.3 percent of covered payroll or earnings, respectively, in 2019 (gradually increasing each year until reaching 2.0 percent in 2023). (Contributions are calculated using the same minimum and maximum amounts as the base plan.) Contributions are split equally among employers and employees; self-employed persons pay both portions. In addition, starting in 2024, employers and employees must contribute 4 percent of payroll or earnings, respectively, on earnings above the MPE up to a new upper earnings limit (the Additional Maximum Pensionable Earnings, or AMPE), which will equal 107 percent of the MPE in 2024 and 114 percent of the MPE from 2025 onwards.
  - Benefit levels: The additional plan is expected to gradually increase the generosity of the QPP old-age pension, bringing the total replacement rate of the pension (base plan plus additional plan) up to around one-third of a worker's average monthly covered earnings.
  - Adjustment mechanism: To ensure the QPPs long-term financial sustainability, the law requires increases in contribution rates if the system becomes out of balance. (Source: SSA International Update; March 2018)
- Effective January 1, 2024, the Canadian government will start collecting additional contributions from employees, employers, and self-employed persons covered by the Canada Pension Plan (CPP). Referred to as second CPP contributions, these additional contributions will be paid on earnings above the base CPP contributions earnings ceiling (now called the first earnings ceiling) and up to a new second earnings ceiling. The second CPP contributions were established in a January 2019 law as part of a government effort to enhance the CPP's earnings-related old-age, disability, and survivor benefits. (Similar enhancements have been made to the Quebec Pension Plan [QPP], which covers workers in Quebec in place of the CPP.) According to the government, the second CPP contributions and other enhancement measures will increase the maximum annual CPP benefit by around 50 percent (from C$15,679 [US$11,308] to C$23,832 [US$17,188] in current dollars) once they are fully in place in 2064. Under the second CPP contributions provision, employees and employers will each contribute 4 percent of covered earnings above the first earnings ceiling (C$68,500 [US$49,403] in 2024) and up to the second earnings ceiling (C$73,200 [US$52,793] in 2024). (Self-employed persons will pay the combined 8 percent rate.) The second earnings ceiling will be around 7 percent higher than the first earnings ceiling in 2024, but this will rise to around 14 percent for 2025 and beyond. The provision does not affect base CPP

contributions, which are 5.95 percent of covered earnings up to the first earnings ceiling for both employees and employers. (Self-employed persons contribute 11.9 percent of covered earnings.) (Source: SSA International Update; November 2023).

Costa Rica

- A reform of the special pension regimes paid from the public budget was approved on August 16, 2016, increasing the retirement age from 55 to 60. (Source: www.laprensalibre.com).
- The 1% increase in the contribution to the public PAYGO system has already been published in the Official Gazette. This will enable raising workers' contributions by 0.5 percentage points as of July 1, 2017 (from 2.84% to 3.34%), while the second increase of 0.5 points will become effective as of January 1, 2018 (from 3.34 to 3.84%), thus totaling 1% increase. Employers will continue contributing 5.08%, and the State 1.24%, thus totaling a tripartite contribution of 10.16%. It is worth mentioning that as of 2020, the total contributions to the Disability Old Age and Death System (IVM) by the State, workers and employers, will increase from 10.16% to 10.66%, to reach 12.16% in 2035. (Source: www.nacion.com; International Update Social Security Administration; August 2017).
- On December 15, 2021, a reform was approved with changes to the Disability, Old Age and Death (IVM) regime, which will come into force in 2024. It establishes, among other things:

  - ✓ Men will no longer be entitled to early retirement. They can as of June 2022 retire at age 62 with 462 contributions, but when the reform comes into effect they will retire at age 65 with 300 contributions.
  - ✓ Early retirement for women is maintained, but the retirement age rises from 60 with 450 contributions, to 63 with 405 contributions.
  - ✓ The formula for calculating pensions is amended to consider the best 300 reported salaries (25 best years, not necessarily consecutive) of the entire working career as a basis, adjusted to present value, known as the average reference salary. The old-age pension amount is currently based on the average of the last 240 salaries (last 20 consecutive years). *(Source: https://www.nacion.com; www.monumental.co.cr; https://delfino.cr; June 2022)*

Cuba

- The collapse of Cuban State finances, the accelerated aging of the population, increased life expectancy, and the loss of tax revenue due to the mass emigration of workers have led the Council of Ministers to modify the method for calculating retirement and total disability pensions. The Legislation seeks to reduce public spending with new regressive scales, which will penalize employees who receive above-average net income. The decree, adopted by the Government on November 29, 2023, came into effect with its publication on January 4, 2024, in the Official Gazette, and will be applicable to those who apply for a pension from now on. The calculation of the old-age and total disability pension will be based on the average monthly salary resulting from the highest wages earned by the worker over five years, in the last fifteen calendar years prior to the application for the pension. The novelty is that net income "considered part of the base income for the calculation of long-term benefits," will be subject to a regressive calculation: "100% of net income up to CUP 9,510 (approx. US$ 380), is considered as the basis for calculating the pension, whereas 20% will be applicable to the excess of CUP 28,530 (approx. US$ 1,141)." The justification for the change highlights the fact that when considering the payment of pensions, the inclusion of net income has generated "high salaries." The solution is to change the basis of pension calculation "in order to mitigate social security budget expenditures." "The aging of the Cuban population increases expenditure in the budget of the social security system," the official text emphasizes. The decree points out that, on the one hand, the number of people who reach retirement age and the time during which they receive a pension increases and, on the other hand, the number of taxpayers decreases as the work force, i.e., the actively employed population, is not replaced. The legislation points out that the change is part of the new socio-economic reality on the Island. Pension payment was modified in 2020 when the minimum pension was set at CUP 1,520 (approx. US$ 61), however, the gradual devaluation of the Cuban peso means that many elderly people are facing poverty due to the high prices derived from inflation. The previous decree abolished limits on the amount of monthly wages to be distributed per worker and added the payment of net income to the base for calculating social security benefits, a formula that resulted in higher pensions, overburdening the state budget in many cases. Moreover, the new Decree 99 maintains those special conditions of exceptional payments for activities such as "prompt dispatch and mooring applicable in port activities, or other legally acknowledged payments that do not constitute salary, and that are part of the calculation base for long-term benefits." Likewise, the regulations stipulate that those who initiated the retirement process before the publication of the current decree will be subject to the provisions of the previous legislation. ***(Source: https://www.14ymedio.com; January 2024).***

Curacao

- On February 26, 2013, the country's Parliament approved the following changes to its public PAYGO system: (i) An increase in the retirement age for accessing the basic State pension from 60 to 65 (for workers aged 55 or less) ; (ii) An increase in the contribution rate from 13% to 15% of the worker's salary (the two additional percentage points are entirely funded by the employer); (iii) An increase in the maximum annual salary with which a person is eligible to access the basic State pension, from ANG 93,000 (approx. USD 51,000) to ANG 100,000 (approx. USD 55,000), which implies a more generous minimum pension; (iv) Increase the minimum number of years of contributions required for a full pension, from 45 to 50 years; (v) The basic State pension will be indexed only if there is real annual economic growth of at least 1%, as opposed to automatic indexation in accordance with inflation, implying that there will be greater restrictions in the granting of basic pensions. The law approving these new changes became effective on March 1, 2013. (Source: www.ssa.gov; March 2013).

Ecuador

- The Labor Justice Law, which amends the country's Labor Code, was passed last April 5. Three provisions of the Law refer to pensions. (i) Coverage of the public PAYGO system is extended to unpaid housewives. Once implemented, female members will contribute to the system according to their family income, as a percentage of the Unified Basic Salary (SBU), which is currently US$ 354 per month. Female members may opt for an old-age pension once they turn 65 and have paid in at least 240 contributions (20 years of membership). The requirements for qualifying for a disability pension vary according to age: for women between 15 and 25, a minimum of 6 monthly contributions are required, whereas women over 46 must have at least 60 monthly contributions. (ii) Tthe government's mandatory 40% contribution to the old age, disability and survival insurance is eliminated. On the other hand, the Government will only contribute when the Ecuadorian Institute of Social Security (IESS) does not have the resources to meet its obligations in the payment of social security benefits. This measure in particular has generated much controversy in the country, since it jeopardizes the financial sustainability of the public PAYGO system. Among the proposals for covering the shortfall generated by the absence of the government contribution, are increasing the retirement age, increasing the contribution rate of workers and employers, and reducing the level of benefits. (iii) The law provides for the modification of the indexation of benefits methodology. Since 2010, the adjustments in benefits ranged from 4.31 to 16.6%, depending on the level of benefits (with lower-income retirees receiving the largest adjustments). From now on, benefits will be adjusted only by the average rate of inflation of the previous year. (Source: Social Security, International Update, May 2015).

Guatemala

- As of January 1, 2011, some modifications to the public PAYGO system became effective, among them: (i) An increase in the minimum retirement age from 60 to 62 for new workers entering the labor market; (ii) An increase in the minimum number of years of contributions required for accessing a pension, from

15 to 20. In the meantime, all workers covered by the system to December 31, 2010, may retire at age 60, although the minimum number of years of contributions required of them for accessing a pension will be increased by 1 year for each year, to finally reach 20 years in 2015. (Source: International Update, Social Security Administration, March 2011).

Guyana

- On June 1, 2013, the contribution rate to the public PAYGO system financed by workers increased by one percentage point, from 5.2% to 6.2% of salary for dependent workers, and from 11.5% to 12.5% of salary for self-employed workers (the contribution rate financed by employers remained unchanged at 7.8%). Furthermore, in order to protect low-income workers, the Government will subsidize the increase in the contribution rate of workers with a monthly income of less than GYD 50,000 (USD 243). (Source: International Update, Social Security Administration, June 2013).

Nicaragua

- Executive Decree No. 39-2013 was published on December 20, 2013. It reforms the Nicaraguan Social Security Institute (INSS) Law, which is the legal framework of the country's public PAYGO system. The plan includes:
  - (i) A gradual increase in the employer's contribution rate, from 7% in 2013 to 10% in 2017 (it will increase by one percentage point (pp) in 2014 and 2015, and by 0.5 pp in 2016 and 2017). Although the contribution rate for workers will remain the same, at 4%, by 2015 the contribution tax ceiling for both workers and employers will almost double to NIO 72,140 (approx. USD 2,816) per month. As of 2016, the INSS will adjust the tax ceiling on the basis of the average salary of all workers enrolled in the INSS.
  - (ii) A change in the formula for calculating benefits, for about 25% of workers enrolled in the INSS (those who earn more than NIO 7,000, approx. USD 272 per month). The changes to the formula will result in lower benefits than those obtained under the previous rules (analysts estimate that these workers will have to work 8 years more to maintain the same level of benefits).
  - (iii) Calculate minimum pensions based on the average salary and not the minimum wage (studies have shown that the 135% jump in the minimum wage in the last five years has put intense pressure on resources in the INSS for the next couple of years). The Government expects that with all these measures the INSS can project its sustainable existence to at least 2036. The Government did not propose rising the retirement age, which is currently 60, nor the number of weeks of contributions (750). The IMF has proposed that Nicaragua should increase the retirement age from 60 to 65 and double the number of weeks of contributions from 750 to 1,500 (increasing from 14.4 to 28.84 years), and reduce informality in its labor market, which is currently at 70%. This segment receives low wages, does not have access to social security and remains below the poverty threshold, according to official figures. (Source: International Update, Social Security Administration, Feb. 2014).
- Government introduces new Social Security reform. Through Resolution No. 1/325 of the Administrative Council of the Nicaraguan Social Security Institute (INSS), on January 28 the Government announced changes to the pension system that will come into effect as of February 1, and are summarized below:

  - (i) Increase the contribution of the INSS to companies with more than 50 workers from 19% to 22.5% of wages; to companies with less than 50 workers from 19% to 21.5%. Employer's contributions will be 21.5%; workers contributions will increase from 6.25% to 7%; and the State's contribution from 0.25% to 1.75% of wages (regardless of the number of employees the company has). The disability, old age and death insurance (IVM), in turn, increased from 10% to 13.5%, and the other components such as occupational risks, contribution to casualties of war, disease and maternity remain at 1.5%, 1.5% and 6%, respectively.
  - (ii) The maximum taxable income is eliminated, and after the reform workers will contribute based on their salary.
  - (iii) Workers must contribute for 2,756 weeks to acquire a pension equivalent to 70% of salary (until

January 2019 workers required 2,080 weeks of contributions to obtain 80% of their salary as an old age pension, which was the maximum allowed by law, which meant that a worker had to strive to remain active in the formal market for at least 40 years before reaching 60 (the official retirement age in the country. With the new reform, as of February 2019, workers must have worked for at least 53 years in the formal market, i.e. 13 years more than prior to the reform). According to estimates, with the modifications to the calculation formula, pensions would be reduced by between 30% and 45%. (Sources: https://www.laprensa.com.ni; https://www.elnuevodiario.com.ni; 30.01.2019).

Saint Vincent and the Grenadines

- On June 1, 2024, the government implemented contribution rate increases that are part of a social insurance reform package rolled out in early 2024[1]. Other changes made by the package of reforms to the country's social insurance program (the National Insurance Services, NIS) include expanding self-employed coverage, raising the covered earnings ceiling, restricting early pension eligibility, increasing the early pension reduction, modifying the reference earnings period, raising the minimum pension, and establishing a permanent unemployment benefit. The government introduced the reform package in its 2024 budget, which received parliamentary approval on January 10. While the reforms make some improvements to benefit adequacy and program coverage, they are mainly intended to improve the sustainability of the NIS by raising additional revenues and discouraging early retirement. According to an actuarial analysis, the latest changes will extend the year in which the NIS trust fund is expected to be exhausted from 2035 to 2060. Regarding the increase in contribution rates, the regulation indicates that on June 1, the NIS contribution rate increased from 4.5% to 5.5% of weekly or monthly covered earnings for employees, from 5.5% to 6.5% of weekly or monthly covered payroll for employers, from 9.5% to 11.5% of weekly or monthly covered earnings for self-employed persons, and from 8.84% to 10.84% of monthly or quarterly declared income for voluntarily insured persons (the declared income of the voluntarily insured is selected from five income categories). Starting on January 1, 2025, the employee and employer contribution rates will rise by 0.5 percentage points a year until reaching 7% and 8%, respectively in 2027, and the self-employed and voluntary contribution rates will rise by 1 percentage point a year until reaching 14.5% and 13.84%, respectively, in 2027. (Source: International Update Social Security; Date: July 2024).

St. Maarten

- The age for accessing a State pension (PAYGO) will increase from 60 to 62 as of January 1, 2018. (Source: Global Retirement Update AON; July 2016).

Uruguay

- On April 27, 2023, Congress broadly approved the pension reform bill of law, which among other things increases the minimum retirement age from 60 to 65, in order to contain public pension expenditure. The key elements of the reform are as follows:
  1. Increase in the minimum retirement age of workers on several scales ranging from 63 to 65 years of age, depending on the date of birth and the number of years of contribution to date: those born in

[1] The main components of the old-age pension system in Saint Vincent and the Grenadines are the NIS covering employed and self-employed persons and the means-tested Elderly Assistance Benefit for certain needy residents. (Voluntary NIS coverage is available to citizens no longer in covered employment or living overseas.) To qualify for an old-age pension under the NIS, individuals must have reached the normal retirement age and have at least 500 weeks of paid or credited contributions. A full old-age pension is paid to individuals who qualify with at least 650 weeks of contributions (rising to 700 weeks in 2025 and to 750 weeks in 2028) If insured individuals reach the normal retirement age with at least 50 weeks but less than 500 weeks of paid or credited contributions, they can receive a lump-sum old-age grant. The Elderly Assistance Benefit is paid to individuals who were aged 45 or older on January 5, 1987; were regularly engaged in seasonal or informal work for a significant period before this date (no specific period has been defined); are not currently in paid employment; and meet certain residency requirements and income limits.

1973 will retire at 63 in 2036, those born in 1974 will retire at 64 in 2038 and those born in 1975 will retire at 65 in 2040 (the current retirement age in Uruguay is 60). However, the reform includes two exceptions for not retiring at 65 years of age: (i) Due to an "extensive working career," which affects those who have contributed for 30 years when the law comes into effect, and those who complete 40 years of work; (ii) Due to working in a "particularly demanding" position, as in the case of construction and farm workers whose jobs involve a high degree of physical exertion. In these cases, they will be able to retire at age 60 with 30 years of contributions.

2. Changes to the mixed pension system. Of 15% of the salary that workers contribute to the pension system, 7.5% currently goes to the BPS (Social Security Bank) and 7.5% to the AFAPs (Pension Fund Savings Managers). With this change, 10% will go to the BPS and the remaining 5% to the AFAPs.
3. Change in the calculation of the basic salary on which old-age pensions are calculated. As of the reform, the 20 best years will be considered for the equation (instead of the previous formula which considered the best option between the average of the 20 best years and the average of the last 10 years.3). That figure was reached after lengthy negotiations, as the government's initial proposal was to consider 25 years.
4. Inclusion of a mechanism to reduce the Social Security Assistance Tax (IASS). (Source: https://www.infobae.com/; 28.04.2023).

Venezuela

- On May 16, 2024, the Venezuelan government issued a presidential decree setting the contribution rate that private-sector employers must pay into a new public pension fund at 9 percent of gross payroll (private-sector employers are already required to contribute between 9 and 11 percent of covered payroll, depending on their risk categories, to Venezuela's social security system[2]). The country's National Assembly approved the creation of the new pension fund in early May 2024 to bolster the financing of old-age pensions and other public benefits, and authorized the president to set an employer contribution rate of up to 15 percent. The decree stipulates that the 9 percent contribution rate takes effect immediately but exempts employers registered in the National Registry of Companies (RNE) from paying contributions for 1 year (registration in the RNE grants companies up to 2 years of legal status in Venezuela; after 2 years, companies must be registered in the appropriate business registries). With the new pension fund, the government seeks to take advantage of an improving economic situation to strengthen public benefits and raise living standards. According to the International Monetary Fund, Venezuela's gross domestic product has increased every year since 2021, with a real annual growth rate of 4 percent in 2023, following a decline of almost 75 percent over the previous eight years. Monthly old-age pensions paid by Venezuela's public pension programs have been frozen at 130 bolivars (US$3.57) since March 2022, while the government has sought to reduce fiscal imbalances and curb high inflation. To compensate for the declining purchasing power of pensions, the government has issued various cash and in-kind supplements to pensioners, including the Economic War Bonus (currently 1,640 bolivars [US$45] per month) and food assistance. Despite these measures, the majority of Venezuela's 5 million residents aged 60 and older continue to live in poverty. Although recent figures on elderly poverty in the country are not available, a 2023 survey found that nearly 83 percent of Venezuelan households live in poverty and more than 50 percent in extreme poverty. (Source: International Update SSA; Jun. 2024.)

C. Asia - Pacific

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[2] Venezuela's old-age pension system consists of a social insurance program covering public and private sector employees and a means-tested social pension program covering needy residents. (Voluntary social insurance coverage is available to the self-employed.) To be eligible for a social security old-age pension, insured individuals must have reached the normal retirement age of 60 (men) or 55 (women) and have at least 750 weeks of contributions. (Voluntarily insured individuals must have at least 250 weeks of contributions in the past 10 years.) Individuals may be eligible for the social old-age pension if they have reached the normal retirement age, are not eligible for the social security old-age pension, have resided in Venezuela for at least 10 years, and have monthly household income below the legal monthly minimum wage (currently 130 bolivars). The monthly amounts of social security benefits and social old-age pensions are equal to the legal monthly minimum wage.

Australia

- The rate used for calculating revenue from financial investments for the payment of State pensions dropped as of November 4, 2013. For a single pensioner with an income of up to AUD 46,600 (approx. USD 41,246), and for couples with income of up to AUD 77,400 (approx. USD 68,507), the rate used will drop from 2.5% to 2.0% per year. For incomes exceeding these thresholds, the rate will drop from 4% to 3.5%. Thus, State pensions will become more generous. The estimated income is added to other sources of income and is then used to calculate the pension rate of the individual or couple. (Source: www.mercer.com; 04.11.2013).
- On May 13, 2014 the government presented its 2014–2015 budget to Parliament, which affects many social programs, including pensions. Proposals in the budget related to pensions include the following:
  (i) Gradual increase in the retirement age to 70 by 2035, for those born after July 1, 1958.
  (ii) Change the indexation method. Currently, twice a year, first-pillar pensions (Age Pension[3]) are adjusted to changes in the consumer price index (CPI), the beneficiary living cost index; and the male total average weekly earnings. Beginning in September 2017, the Age Pension would be adjusted to the CPI only, twice a year.
  (iii) Tighten the asset test to access an Age Pension. Currently, the asset-test thresholds for the Age Pension are AUD 46,600 (USD 43,982) for a single person and AUD 77,400 (USD 72,902)[4] for a couple and are indexed annually to changes in the CPI. Beginning in September 2017, the budget proposal lowers those thresholds to AUD 30,000 (USD 28,257) and AUD 50,000 (USD 47,094), respectively, and it maintains the same value (no adjustment) for 3 years. (Source: Social Security, International Update; May 2014).

Azerbaijan

- On October 27, 2008, the Legislature approved a law modifying the country's social security program by gradually increasing the retirement age for accessing a full pension. As of January 2010, the retirement age will increase by 6 months each year until it reaches 63 for men and 60 for women. Men currently retire with a full pension at age 62 and women at 57. The Government also announced that there will be no legal indexing of pensions in 2010 due to the negative rate of inflation expected for 2009 (benefits are adjusted annually in proportion to the changes in the consumer price index of the previous year). (Source: International Update, Social Security Administration, Dec. 2009).
- On August 28, 2013, the State Social Protection Fund (SSPF) announced plans to modify the distribution of contributions to mandatory social insurance. The total contribution rate is currently 25%, of which 22 percentage points (pp) are financed by employers and 3 pp by workers; the proposal stipulates that now employers will finance 18 pp and workers 7 pp, maintaining the total contribution rate unchanged. The SSPF aims to introduce the change at the end of 2013. Further details here. (Source: www.mercer.com; 12.09.2013).

Bahrain

- On April 18, 2022, the king of this country enacted reforms to the social security pension program that gradually increase contribution rates, raise the monthly old-age pensions of current retirees, change the calculation and adjustment methods of old-age pensions, introduce incentives to delay the retirement age and integrate an end-of-service bonus for foreign workers (many of the details of the reforms and the dates of their implementation are not yet known). According to the government, the goal of the reforms is to improve the long-term sustainability of the pay-as-you-go social insurance program. Like many countries, Bahrain is experiencing a rapidly aging population that will put significant and growing fiscal pressure on its state budget for decades to come. The United Nations Population Division projects

[3] Age Pension is a non-contributory pension, financed entirely by the State, seeking relief from poverty for the elderly. To qualify for this benefit, the retiree must meet a series of requirements: legal retirement age, at least 5 years of contributions and meet the test of value of its assets (the value of the assets held must not exceed certain limits).
[4] At the exchange rate on 30.06.2014 of 1 USD= AUD 1.0617.

that the population aged 65 and over divided by the population aged 15-64 will increase from 3.4% in 2020 to 23.1% in 2060. Key details of the reforms include:

a. Increased Contribution Rates: The combined worker/employer contribution rate will gradually increase from 19% to 27% of covered earnings (7% to 8% for workers and 12% to 19% for employers).
b. Increase in old-age pensions for current retirees: Monthly old-age pensions will be increased immediately by 6%, up to a maximum increase of 60 dinars (approx. USD 160) per month.
c. Change the methods of calculation and adjustment of the old-age pension: the amounts of the old-age pension will now be based on a less generous formula, the one that considers the average monthly income of the insured in the last 5 years of contributions, instead of considering just the last 2 years. In addition, old-age pensions will only be adjusted in years in which the social security fund has a surplus (previously, pensions were automatically increased by 3% in January of each year, although these increases were suspended in 2021 and 2022).
d. Introduction of incentives to delay the retirement age: people who defer the request for an old-age pension up to 5 years after the normal retirement age will receive as a pension up to 90% of their average monthly income in the last 5 years of contributions. Currently, there is no increase in benefits for those who defer claiming an old-age pension and the maximum old-age pension is 80% of the insured's average monthly income in the last 2 years of contributions.
e. Integrate the bonus for termination of service for foreign workers: The bonus for termination of service for foreign workers will be integrated into the social security program and will be paid by the Social Security Fund, the body responsible for administering the program. Employers are currently required to pay an end-of-service gratuity to all workers not covered by the social security program (including foreign workers) based on the worker's seniority: 15 days' wages for each first 3 years of service, plus 1 month's salary for each additional year of service. *(Source: International Update SSA April 2022; April 2022).*

China

- On September 13, 2024, the Standing Committee of the country's 14th National People's Congress approved reforms to the country's main pension program, the Basic Pension Insurance (BPI), including raising the normal retirement age, increasing the contribution requirement for the old-age pension, and establishing early and deferred retirement options (the BPI program mainly covers urban employees. Since 2009, a separate pension program has covered rural residents and nonsalaried urban residents). In addition, the reforms require employers and the government to strengthen protections and support for older workers. The reforms aim to improve the sustainability of the old-age pension system at a time when the country faces increasing fiscal pressures due to slowing economic growth and a rapidly aging population. According to the United Nations Population Division, the old-age dependency ratio (the population aged 65 and over divided by the population aged 15 to 64) is projected to rise from 21.2% in 2024 to 52.3% in 2050. Given this trend and other conditions, the government-sponsored Chinese Academy of Social Sciences has estimated that the country's public pension fund would be depleted by 2035 without reforms. Key provisions of the approved reforms take effect on January 1, 2025. Regarding the increase in the normal retirement age, the rule indicates that under the BPI program, the normal retirement age will increase gradually over a 15-year period, from 60 to 63 years for men, from 55 to 58 years for women in white-collar jobs, and from 50 to 55 years for women in manual jobs (depending on the date of birth, the retirement age increases are 1 month every 4 months for men born since 1965 and white-collar women born since 1970 and 1 month every 2 months for blue-collar women born since 1975). (Source: SSA International Update; Date: Oct. 2024).

Israel

- The retirement age of women is gradually increased from 62 to 65. As part of its annual budget process, the Knesset passed the Economic Arrangements Bill on November 4, 2021, which gradually increases the official retirement age for women from 62 to 65 (the Bill does not affect the official retirement age for men, which will remain at 67). The new law increases the official retirement age by 4 months per year, from 2022 to 2024 (until the age of 63) and by 3 months per year from 2025 to 2032. In order to lessen the effects of this increase on approaching retirement, the law also extends the duration of unemployment benefits for women aged 60 and over, provides funding for new vocational training programs, increases the employment subsidy paid to low-income women and increases the amount of income that retirees under the age of 70 can earn without reducing their pensions. According to the government, the law aims at improving the long-term sustainability of the pension system, while increasing women's employment rates and pension benefits. (Source: Intenational Update SSA Dic.2021; June 2022).

Japan

- Last December 14, 2016, the Government approved a package of reforms that included a reduction in the benefits of the pensions of the public PAYGO program, by changing the way in which current benefit payments are adjusted, and restricting future increases of pensions in relation to wages and inflation. According to the Government, this law seeks to maintain the sustainability of the system in the face of an increasingly aging population. (Source: Social Security International Update Jan. 2017).
- A new law in effect as of April 1, 2021, gives companies five options for retaining older workers: (i) Increase the retirement age from the current 65 to 70; (ii) Eliminate the retirement age; (iii) Allow employees to work beyond the age limit; (iv) Subcontract retirees as self-employed workers; and (v) Support workers who switch to working for nonprofit organizations and other entities that provide a public benefit. The law states that companies and workers must agree on the chosen option. Companies with a majority of unionized workers must have the union's consent to exercise the last two options. The Ministry of Labor's guidelines urge companies to ensure that the review does not result in unstable employment for workers. (Source: https://www3.nhk.or.jp; 31.03.2021).

Kazakhstan

- On June 21, 2013, the President signed a pension reform law which stipulates, inter alia, that: (i) 11 pension funds (10 private funds and the State-managed GNPF) will merge into a state-managed Unified Accumulation Pension Fund (UAPF). The UAPF will operate in the premises of the former GNPF; (ii) All investments will be under the custody of the National Bank of Kazakhstan; (iii) Men and women will retire at the same age (the retirement age for women will increase from 58 to 63 years, at the rate of 6 months per year starting in January 2018); (iv) The retirement age for workers in industries with heavy duty and hazardous working conditions will be reduced from 58 to 50 and employers must contribute 5 additional percentage points (pp) to their accounts (starting on January 1, 2014); (v) There will be a Pension Assets Management Board, supervised by the President of the Republic, which will act as an advisory and consulting agency, among other matters, to propose the list of financial instruments in which the UAPF's resources can be invested; and (vi) the guarantee of minimum return on investment remains unchanged. The Government will also consider the following modifications at a future date: (i) Increase the mandatory contribution rate to the UAPF from 10% to 15% (the increase will be funded by the employer); (ii) The State will finance the contribution of 10% in the case of female employees on maternity leave (it currently only finances 4%). Ordinance No. 356 of the President of the National Bank of the Republic of Kazakhstan, dated September 24, 2013, approved the reception-transmission calendar for the pension assets and liabilities of the Accumulative Pension Plans (AFPs) within the framework of the agreement on pensions in the UAPF. Thus, the transfer of pension assets from the APFs to the UAPF began as of October 11, 2013. It is expected that all procedures concerning the opening of individual accounts in the UAPF, the registration of pension savings in individual accounts and the transfer of investment portfolios from the APFs, should be finalized by April 2014. (Source: FIAP based on information sent by GNPF; www.worldfinance.com; www.ssa.gov; www.enbek.gov.kz; www.mercer.com; www.afn.kz; November 2013).
- As of January 1, 2025, legislative amendments have increased the rates of the following taxes and contributions as follows: Social security tax: from 9.5% to 11%; Social security contributions: from 3.5% to 5%; Mandatory employer contributions for pensions to the notional pay-as-you-go system: from 1.5%

to 2.5% (increasing to 3.5% in 2026; to 4.5% in 2027; and to 5% from 2028); Unified payroll tax: from 21.5% to 23.8% (increasing to 24.8% in 2026; to 25.8% in 2027; and to 26.3% in 2028). (Source: KPMG; Date: January 2025)

Oman

- On November 3, 2013, the Public Authority for Social Security of Oman announced a series of amendments to the public PAYGO system, including increases in contribution rates and changes in the way in which benefits are calculated. The amendments, which came into effect from July 1, 2014, include the following changes:
  (i) The social security contribution rate (which includes the financing of the of old-age pension and disability and survival benefits), will increase for both workers (from 6.5% to 7% of their gross salary) and employers (from 9.5% to 10.5% of the gross wage of the worker), and the State (from 4% to 5.5%), totaling an increase of 3 percentage points (from 20% to 23% of the gross wage of the worker).
  (ii) The accrual factor used for the calculation of old-age pensions will increase. Hence, old-age pensions will now be calculated on the basis of 3.5% of the average wage of the worker in the last 5 years of work, multiplied by the total number of years of contribution (the accumulation factor was formerly 2.5%). This means that the old age pension granted by the State becomes more generous.
  (iii) The minimum old-age pension will increase from OMR 150 (approx. USD 390) to OMR 202.5 (approx. USD 527) per month. Furthermore, pensions higher than OMR 202.5 will increase by 5% (the maximum old-age pension remains unchanged at 80% of the worker's salary at the time of retirement). (Source: Global Social Security Newsletter, PricewaterhouseCoopers (PwC); www.mercer.com; 04.11.2013).

Qatar

- On April 19, 2022, the emir of this country ratified a social security reform law (PAYGO system) that expands the coverage of private sector workers, increases contribution rates, adjusts covered income, tightens qualifying conditions for the old-age pension, establishes a minimum old-age pension and introduces new incentives to work longer. These reforms stem from a national development strategy for 2018-2022 that seeks to maintain social protections for citizens, support vulnerable groups, and promote family cohesion. Although Qatar has quickly become one of the richest countries in the world in per capita terms (its gross domestic product per capita in 2020 was US$50,124), its social insurance program has faced growing sustainability issues since its inception a few years ago. 20 years. According to the government, about 64% of retirees from the program took early retirement, and less than 53% of citizens aged 15 to 64 are in the labor force. Key provisions of the reform law (effective 6 months after publication of the law, unless otherwise noted) include:
  a. Expand coverage of private sector workers: The social insurance program currently covers citizens who work in the public sector, certain private sector companies, or other Gulf Cooperation Council countries (Bahrain, Kuwait, Oman, Saudi Arabia and the United Arab Emirates). Under the new law, coverage will be extended to all Qatari citizens over the age of 18 employed in the private sector with employment contracts of at least 1 year. In addition, voluntary coverage will also be possible for certain self-employed Qatari citizens.
  b. Increase contribution rates: Contribution rates for employees and employers will gradually increase from 5 to 7% of gross monthly income (details on the phase-in period for these contribution increases are not yet known).
  c. Include housing allowances in covered income: Currently, contributions are paid on employees' base salary and social allowances. Under the new law, housing allowances will also be considered covered or taxable income (it is common for Qatari employees to receive housing allowances as part of their compensation).
  d. Introduce a cap on covered earnings: The maximum monthly earnings used to calculate contributions and benefits will be 100,000 Riyals (US$27,472.53). Currently, there are no hard caps on these

calculations.

e. Increase in early retirement age, minimum contribution period and early retirement penalties: Over a 5-year period, the earliest possible age for claiming an old-age pension will gradually increase from 40 to 50 years, and the minimum period The contribution rate will gradually increase from 15 years to 25 years (insured persons will still be able to purchase up to 5 years of contributions to qualify for a pension or higher benefit). In addition, the penalties for each year in which the old-age pension is claimed before the normal retirement age of 60 (men) or 55 (women) will increase from 2% to 2.5% (if you voluntarily left employment) and from 2.5% to 3% (if you were fired for disciplinary reasons).
f. Change earnings calculation for private sector workers' pensions with more generous formula: For private sector workers, the old-age pension will be calculated based on your average gross monthly earnings in the last 3 years of employment instead of of the last 5 years (thus achieving a more generous formula). Old-age pensions for public sector workers will continue to be calculated on the basis of their last gross monthly earnings.
g. Establish a minimum old-age pension: effective immediately, the minimum monthly old-age pension is 15,000 riyals (US$4,120.88). Previously, there was no explicit minimum old-age pension, although the lowest possible old-age pension was 75% of an insured person's previous earnings.
h. Offer a long career pension bonus: A monthly pension bonus will be paid to policyholders who have more than 30 years of contributions when they reach normal retirement age.
i. Introduce a housing supplement: Effective immediately, retirees with monthly pensions not exceeding 100,000 riyals will receive a monthly supplement of up to 4,000 riyals (US$1,098) to help pay for their housing costs.
j. Eliminate penalties for old-age pensioners who continue to work: Old-age pensioners will be able to dedicate themselves to the private sector without affecting their pensions (retirees will not be subject to social security contributions while employed). (Source: International Update SSA May 2022; May 2022).

Philippines

- On October 10, 2013 the country's Social Security System (SSS) reported that the contribution rate to this program will increase from 10.4% to 11% as of January 1, 2014. Of this 11%, 7.37 percentage points (pp) will be financed by the employer and 3.63 pp by the worker. This measure would enable extending the life of the Social Security Fund (SSF) for 4 years (from 2039 to 2043). Further details here. (Source: www.mercer.com; 15.10.2013).
- Starting May 1, 2017 the Social Security System (SSS) increased the contribution rates of workers and employers (by 1.5 percentage points, distributed evenly between workers and employers), as well as the tax ceiling (from US$ 319 to US$ 399, approx.), for the purpose of addressing solvency pressures on the reserve fund. (Source: Social Security International Update May. 2017).

Irak

- On December 1, 2023, Iraq's government enacted a new social security law that reforms the country's social insurance old-age pension program[5] for private-sector workers by expanding program coverage, introducing registration fees for foreign nationals, increasing the combined contribution rate, adjusting covered earnings, changing retirement options, and altering the reference earnings for benefit calculations. The new law also expands social protection by introducing paid maternity leave and public unemployment insurance. Iraq's parliament approved the new law on May 17 after years of negotiations between government, employer, and worker representatives. The new law was developed with technical assistance from the International Labour Organization (ILO) and other United Nations agencies and is

[5] The main components of Iraq's old-age pension system are the social insurance program and a social assistance program. Individuals may qualify for a government-financed social assistance old-age pension if they reach age 60 (men) or 55 (women), are not eligible for a social insurance pension, are unable to work, and belong to households classified as needy by the Ministry of Planning based on annual poverty and social indicators.

intended to expand social insurance coverage and benefits for millions of workers. Last March, Iraq became the 64th country to ratify the ILO Social Security (Minimum Standards) Convention 1952 (No. 102), which commits countries to recognizing social security as an inherent right and strengthening their social security system for the benefit of workers and businesses. Although some details of the reforms—including their implementation dates—are still being worked out, the key provisions of the new law include:

- Expanding program coverage: The new law expands program coverage to additional private-sector categories, including self-employed persons, informal-sector workers, and contributing family members. Previously, coverage was limited to private-sector employees in the formal sector. (A special pension program covers public-sector employees.)
- Introducing registration fees for foreign nationals: Employers of foreign nationals must pay to the social insurance program a new one-time registration fee of 750,000 dinars (US$573, for those registered before December 1) or 2 million dinars (US$1,528, for those registered on or after December 1) for each foreign national employee who is registered.
- Increasing the combined contribution rate: The combined contribution rate for individuals not employed in the oil and gas sector has increased from 17 percent to 25 percent of monthly covered earnings, with the government covering the additional 8 percent for Iraqi employees and employers covering it for non-Iraqi employees. Of the 17 percent base rate, employees continue to contribute 5 percent of monthly covered earnings and employers contribute the remaining 12 percent. For employees in the oil and gas sector, the employee and employer contribution rates remain at 5 percent and 25 percent of monthly covered earnings, respectively. All employee contributions and 8 percentage points of employer contributions (15 percentage points for employers in the oil and gas sector) are used to finance old-age, disability, and survivor pensions. The contribution rates for self-employed persons, informal workers, and other categories have not been finalized.
- Adjusting covered earnings: As before, the monthly earnings used to calculate contributions must be at least the legal monthly minimum wage for the insured individual's profession or the general workforce. However, the new law establishes that monthly covered earnings cannot exceed five times the applicable monthly minimum wage. The monthly covered earnings include the insured's base wages and all allowances received.
- Changing retirement options: Under the new law, insured individuals can still claim old-age pensions at age 60 (men) or age 55 (women) if they have at least 20 years of contributions. However, the new law also allows individuals to claim old-age pensions at age 63 (men) or age 58 (women) if they have at least 15 years of contributions or at age 50 (men and women) if they have at least 30 years (men) or 25 years (women) of contributions. This means that it is no longer possible for individuals to retire at any age if they have at least 30 years (men) or 20 years (women) of contributions. Individuals can purchase up to 5 years of missing contributions needed to qualify for an old-age pension at a particular age.
- Altering the reference earnings for benefit calculations: The new law changes the reference earnings used to calculate the old-age pension from an insured's average monthly earnings in the last 3 years to average monthly earnings in the last 5 years. The pension amount continues to be calculated by multiplying 2.5 percent of the reference earnings by the insured's months of contributions and dividing this product by 12. The maximum monthly pension amount is 80 percent of the insured's reference earnings. (Source: SSA International Update; Mar.2024).

South Korea

- The Government will gradually raise the standard social security retirement age from 60 to 65 by 2033. This measure was adopted in 2013 and will come into effect as of January 2016 in all public companies and private enterprises with more than 300 employees. All other enterprises must comply with the measure as of January 1, 2017. (Source: Towers Watson;04.11.2015).
- On March 20, 2025, Parliament enacted a law reforming the social security pension program, the National Pension Service (NPS). The reforms include, among others, an increase in the contribution rate

starting in 2026. Beginning in 2026, the NPS contribution rate will increase from 9% (increasing by 0.5 percentage points annually) to 13% in 2033. Employers and employees will each continue to pay half of the total contribution rate. (Source: SSA International Update; Date: April 2025).

Saudi Arabia

- The Government will gradually raise the standard social security retirement age from 60 to 65 by 2033. This measure was adopted in 2013 and will come into effect as of January 2016 in all public companies and private enterprises with more than 300 employees. All other enterprises must comply with the measure as of January 1, 2017. (Source: Towers Watson; 04.11.2015).
- On August 2, the government implemented a royal decree that increased the official retirement age for women under the country's public PAYGO pension program, from 55 to 60, to match the retirement age of men. (Source: International Update Social Security Administration; October 2019).

Vietnam

- On June 29, 2024, the National Assembly amended the country's social security law to expand mandatory coverage, increase the normal retirement age, reduce the old-age pension contribution requirement, and change the minimum and maximum covered earnings, among others. The changes will take effect on July 1, 2025, and represent the culmination of a reform process that began in 2019 and involved extensive discussions between the government, employer and worker representatives, and technical experts from the ILO and other groups. Key provisions of the social security law will take effect on July 1, 2025. Under the amended law, the normal retirement age for applying for an old-age pension will continue to increase gradually from 61 to 62 for men in 2028 and from 56 and 4 months to 60 for women in 2035 (the normal retirement age began to increase in 2021 under a reform enacted in 2019). The rate of age increases will be 3 months per year for men and 4 months per year for women, with the next increases to be implemented in 2025. However, exemptions to age increases will apply for certain vulnerable groups. (Source: SSA International Update; Date: Nov. 2024.)

United Arab Emirates (UAE)

- On November 17, 2023, the General Pension and Social Security Authority (GPSSA) of the United Arab Emirates (UAE) announced a new law reforming the country's federal social insurance pension program2 covering the majority of Emirati employees (the GPSSA program covers Emirati public and private sector employees in the seven emirates that make up the UAE, except Abu Dhabi and Sharjah [only local public sector employees are excluded]). The new law applies only to Emiratis entering the workforce for the first time as of October 31, 2023, whereas employees entering the workforce prior to that date are still subject to the former rules and regulations. With the new law, the government seeks to improve the sustainability of the social insurance program and reduce benefit gaps for Emiratis employed in the public and private sectors. Although GPSSA still needs to work out many details of the changes to the social security program, key provisions of the new law include:
  (i) Increased contribution rates: The contribution rate for employees in the public and private sectors increased from 5% to 11% of the monthly income covered. While the contribution rate of public sector employers remains at 15%, the rate for private sector employers increased from 12.5% to 15% of the covered monthly payroll. To encourage greater employment of Emiratis in the private sector, the government will cover a 2.5 percentage point share of employer contributions for Emirati private sector employees with covered monthly incomes of less than Dh20,000 (approx. US$ 5,446).
  (ii) Change in covered income: The minimum monthly covered income for Emirati private sector employees has increased from Dh1,000 (USD 272) to Dh3,000 (USD 817). There is still no minimum covered income for Emirati public sector employees. At the same time, the maximum monthly covered income increased from Dh50,000 (USD 13,615) to Dh70,000 (USD 19,061) for Emirati private sector employees and decreased from Dh300,000 (USD 81,688) to Dh100,000 (USD 27,229) for Emirati public sector employees.

(iii) Allow contributions during unpaid leave: Insured Emiratis who take unpaid leave from their jobs to pursue postgraduate studies or care for their children as mothers, can now choose to pay contributions while on leave.

(iv) Modification of Service Purchase Rules: Under the above rules, male policyholders may purchase up to 5 years, and female policyholders up to10 years of additional service for their contribution records if they have at least 20 years of actual contributions. Under the new rules, policyholders (both men and women) can acquire up to 5 years of additional service if they have at least 25 years of contributions or have turned 60 with at least 15 years of contributions.

(v) Increase in the minimum retirement age and number of years of contribution: The minimum age for accessing an old-age pension has been increased from 50 to 55, and the minimum number of years of contributions for qualifying for a pension has been increased from 20 to 30.

(vi) Inclusion of preferential retirement conditions for mothers: The minimum retirement age and number of years of contribution may be reduced for married, divorced, or widowed insured women with at least five children.

(vii) Harmonization of Pension Reference Income: Old-age pensions for public and private sector employers are now calculated on the basis of the average covered income of an insured person over the last 6 years (or the entire period if less than 6 years). Under the above rules, the reference income was based on the insured's covered income in the last 3 years (for public sector employees) or 5 years (for private sector employees).

(viii) Expand Pensioners' Employment Eligibility: The former rules did not allow people receiving old-age pensions to continue working unless they had at least 25 years of employment in the public sector when claiming their pensions. Under the new law, all retirees, regardless of where they were previously employed, can continue in paid employment if they have at least 30 years of contributions. (Source: International Update Social Security Diciembre 2023; June 2024)

D. *Europe*

Andorra

- On July 16, 2013, the Cabinet approved a series of changes (which will be implemented as of January 1, 2014) to the country's public PAYGO system, to make it financially sustainable. According to the Government, if no modifications were made, the pension system would be in deficit as of 2017. Some of the changes stipulated in the law are the following6: (i) The contribution rate for an old-age pension will increase by 1 percentage point for the worker (to 3.5%) and the employer (to 8.5%); whereas the contribution for financing the other benefits will be reduced by 1 percentage point for the worker (to 2%) and the employer (to 6%); (ii) The minimum number of years of contributions will increase from 13 to 15 years; the age limit for obtaining a deferred pension will be abolished; and the early retirement age will increase to 61; (iii) Pensions greater than 150% of the monthly minimum wage will be reduced (approx. 1,443 EUR or USD 1,914), and the complementary pension for the spouse will also be eliminated; and (iv) Benefits will be adjusted based on a combination of changes in the consumer price index, wages and a sustainability factor (ratio between contributors and pensioners), which will make the benefits provided less generous than before. (Source: Social Security International Update Aug. 2013).

Austria

- On January 1, 2022, the government implemented reforms to the country's social security pension program that reinstates a penalty for early retirement and creates the Early Start Bonus

[6] Until December 31, 2013: (i) Workers can choose between 3 levels of contribution rates for their old age pension: 2.5%; 5%; or 7% of gross salary (for the benefits of disability, survival, disease, maternity and work accidents, the contribution is 3% of gross salary); (ii) Employers contribute 7.5% of the gross salary of the worker to the old-age pension, and 7% for other benefits (there is no State contribution); (iii) The full old-age pension is paid at 65 with a minimum of 40 years of contributions (the reduced pension applies with at least 13 years of contributions); (iv) Early retirement is allowed from age 58 with 40 years of contributions, and deferred retirement is allowed up to 72 years of age.

(Frühstarterbonus) for retirees who began contributing at an early age. The early retirement penalty, which was eliminated in January 2020, reduces the old-age social security pension by 4.2% for each year it is claimed before age 65 (the normal retirement age for men; under this provision, people can claim old-age pension starting at age 62 if they have at least 540 months of contributions paid or credited This provision currently only applies to men because the normal retirement age for women is 60 years; however, the retirement age for women will gradually increase to 65 years from 2024 to 2033 [this was approved in June 2003]). The Early Start Bonus is a monthly supplement paid to retirees who have at least 300 months of paid contributions, including at least 12 months of paid contributions before age 20. The amount of the bonus is €1 (US$1.12) for each month of contributions paid from 15 to 19 years of age, up to a maximum of €60 (US$66.97). These reforms are intended to encourage workers to retire later and increase the retirement income of people who entered the workforce as teenagers. According to the OECD, Austria's average effective retirement age in 2020 was 62 for men and 60.7 for women compared to averages of 63.8 and 62.4, respectively, for the 38 OECD member countries. the OECD. (Source: International Update SSA March 2022; March 2022).

Belgium

- On January 1, 2013, new measures came into effect with regard to the early retirement age, which will progressively increase from 60 to 62 years of age between 2013 and 2016, and the number of years of work required for such early pension, which will increase from 35 to 40 years within the same period (the normal retirement age is 65 for men and women, with at least 45 years of contributions). (Source: www.issa.int; January 2013).
- New regulations came into effect as of October 1, 2013, which define the payments that are subject to social security (public PAYGO system), and that therefore form part of the definition of "taxable income" from now on: (i) Monetary compensation to workers by their former employers (by virtue of agreements concluded between the parties),during the 12 months following the termination of the employment contract 1; (ii) The monetary compensation for "indemnities" for retail sales personnel (referred to as "clientele indemnity" in the Belgian legislation (see details here), as well as those for "compensation" for breach of contract by the employer. (Source: Global Social Security Newsletter, PricewaterhouseCoopers (PwC); December 2013).

Belarus

- On September 3, 2013, the President of the Republic signed a decree (Russian) that increases the minimum contribution period for qualifying for an old age pension in the public PAYGO system, from the current 5 years to 10 years, a measure that will come into effect on January 1, 2014. According to the Government, the change is necessary for improving the long-term sustainability of the country's public pension system[7] in view of the rapid aging of the population. Further details here. (Source: www.nalog.by; www.mercer.com; www.ssa.gov; 04.09.2013).
- On April 2016, it was decreed that as of January 2017, the retirement age will rise gradually from 60 to 63 for men and from 55 to 58 for women, by 6 months per year over a period of 6 years. The decree also calls on employers and workers to participate in voluntary pension schemes. (Source: Global Retirement Update AON; April 2016).

Bulgaria

- On July 28, 2015, Parliament passed a pension system reform law that increases the retirement age, the

[7] Belarus' PAYGO pension system covers all employed individuals with permanent residence in the country and is financed with a worker contribution of 1% of gross salary, and a variable employers contribution, depending on the sector and industry concerned (most employers contribute 28% of the worker's salary). The retirement age is 60 for men and 55 for women. The full pension is paid against 25 years of contributions (men) or 20 years (women), while partial pensions are paid to individuals with fewer years of contributions. Those who do not work are not eligible to receive social security benefits, but men over 60 and women over 55 can receive a state-financed non-contributory social security benefit.

contribution rate and the number of years of contributions required for obtaining a pension. The law also changes the status of second pillar accounts from mandatory to voluntary. These changes are designed to make the PAYGO program more sustainable. The deficit is expected to drop from an estimated 2.4% of GDP in 2015 to 1.2% of GDP by 2037. A law passed in 2012 had gradually increased the standard retirement age for men and women (to 65 and 63, respectively) and the number of years of contributions required for a pension to 40 and 37 for men and women, respectively, by 2017. Nonetheless, there were no increases in these parameters in 2014 and 2015. Hence, the new law resumes the gradual increases in 2016, at a slower rate (ending in 2029), making the retirement age for men and women equal at 65, by 2037. Thereafter, the retirement age will be linked to the increase in life expectancy. Workers with insufficient contributions will be allowed to take early retirement at 65 years and 10 months, until 2016, increasing gradually to 67 years of age as of 2017. The new rules also: (i) increase the overall old age, disability and survival contribution rate (employer + employee) by 1 percentage point per year in 2017 and 2018, from 17.8% to 19.8% of the gross salary of the worker; (ii) allow workers born after 1959 to switch from the second pillar individual accounts program to the first pillar PAYGO program as often as they please, until 5 years before retirement (new workers entering the labor market who fail to make a choice are automatically assigned to the PAYGO program). (Source: Social Security International Update August 2015).

Croatia

- On December 13, 2013, the Legislature approved the Pension Insurance Act, which provides for: (i) A gradual increase in the retirement age from 65 to 67 by 2038 (between 2014 and 2030, the retirement age will remain unchanged at 65 years of age, but as of January 2031, it will increase by 3 months per year until 2037, reaching 67 years of age by January 1, 2038); (ii) An early old-age pension for workers with at least 41 years of service at age 60 (as of January 1, 2014, they can retire without their pensions being reduced). (Source: http://macedoniaonline.eu;) 15.12.2013).
- On April 2016, a reform came into force to accelerate the increase in retirement age; now the retirement age will increase from 65 to 67 years from January 1, 2028, 10 years earlier than originally stipulated. (Source: Global Retirement AON Update May 2016; http://www.total-croatia-news.com/).
- In January 2019, a package of reforms was implemented that stipulated an acceleration in the increases in the retirement age: the legal retirement age for women (62 years and 4 months from January 1, 2029) will gradually increase by 4 months per year until reaching 65 years in 2027, matching the retirement age of men. From then on, the retirement age for men and women will increase at the same rate until they reach 67 in 2033. (Source: Social Security International Update; Feb. 2019).

Czech Republic

- Changes to the social security system came into effect on January 1, 2010. The main changes are as follows: (i) A gradual increase in the retirement age to 65 for women without children and men, by 2028 (in 2010 the retirement age was 62 years and 2 months for men, and 57[8]-61 years for women, depending on the number of children); women with children may retire between 62 and 65, depending on the number of children; (ii) A gradual increase in the number of years of contributions required for a full old-age pension, from 25 to 35 by 2019; (iii) An increase in the maximum taxable income from 48 to 72 times the national average monthly wage. (Source: International Update, United States Social Security Administration, January 2010).
- On September 12, 2012, the President approved an amendment to the Pension Act, which temporarily modifies the method of indexing old-age, survival and disability pensions of the public PAYGO system, in order to make them less generous and help to reduce the fiscal deficit. From 2013 to 2015, pensions will be adjusted automatically by 33.3% of the variation in the CPI and 33.3% of the growth of the average wage (formerly pensions were adjusted only according to the change in the CPI and by 33.3% of the growth of the average wage). (Source: International Update, United States Social Security Administration, Nov. 2012).

[8] The mandatory retirement age for women without children is 57, according to the rules and regulations prior to these reforms.

- On December 13, 2024, the country's president signed reforms to the country's social security pension program, which include raising the normal retirement age, reducing new old-age pensions, and modifying work incentives for retirees. Regarding the normal retirement age, it was previously scheduled to gradually increase to 65 in the 2030s (currently 64 years and 2 months for men and women without children; it varies for women with children). Under the reforms, the normal retirement age, which is based on the year of birth, will continue to increase above 65 by 1 month per year until it reaches 67 for those born in 1989 or later. Regarding the reduction in the new old-age pensions, the regulation indicates that they will be reduced through two main changes in the calculation formula:
  (i) Reduction of the income base for calculating the pension: Currently, the base for calculating the pension includes 100% of indexed monthly income up to 20,486 kroner (approximately US$845) and 26% of income above that amount up to 186,228 kroner (approximately US$7,682). Starting in 2026, the first percentage (100%) will be reduced by 1 percentage point per year, reaching 90% in 2035.
  (ii) Reduction of the replacement rate: The rate determining the earnings-related benefit, currently 1.5% for each year of contributions, will be reduced by 0.005 percentage points per year (reaching 1.45% in 2035). (Source: SSA International Update; Date: January 2025).

Denmark

- In late 2015 and early 2016, reforms that delay transition from work to retirement stage were implemented. Reforms include: (i) increase of the mandatory retirement age by one year, from 67 to 68, for everyone born from 1963 onwards; future adjustments to the retirement age will be automatic (increase of one year every 5 years); agreement stipulates that duration of old-age pensions should be about 14.5 years, based on the life expectancy of a person at 60; (ii) prohibition of incorporating a mandatory retirement age in existing and future employment contracts10. (Source: Social Security International Update April 2016).
- On May 8, Denmark's government approved reforms to the country's universal state pension (folkepension) that will change the residency requirement for a full pension. To qualify for a full state pension, individuals born since July 1, 1958, must reside in Denmark for at least 90% of the years from age 15 to the normal retirement age. The government first proposed these changes in June 2017 as part of a larger reform package (commonly referred to as the 2025 Plan), which aims to reduce fiscal pressures on the public pension system by tightening certain qualifying conditions and encouraging longer working lives. (Source: Social Security International Update, June 2018).
- On May 22, 2025, Parliament approved, without strong opposition, a law raising the retirement age to 70 starting in 2040. The law establishes a progressive increase linked to life expectancy, which will begin to apply starting in 2040. The current age is 67, but the law establishes staggered increases: it will reach 68 in 2030, 69 in 2035, and finally 70 in 2040 for people born after December 31, 1970. The law seeks to adjust the retirement age to the demographic reality of the country, where the population is living longer. After 2040, the threshold is scheduled to be periodically reviewed as life expectancy changes, although the Prime Minister has expressed doubts about continuing to automatically raise this age. (Sources: BBC; La Tercera; DW; Date: May 2025).

Estonia

- A law that reduces the contributions financed by the employer to the second mandatory individual accounts pillar and increases the contributions to the first public PAYGO pillar until 2011 came into effect On June 1, 2009. Workers can also choose to reduce their contributions to the second pillar during this period. Under the new law, the employer's contribution rate to the second pillar will be 0% until 2010, will rise to 2% in 2011 and will then remain stable at 4% in 2012. Since the total contribution rate financed by the employer (20% of the worker's wages, the sum of the contributions to the first and second pillars) remains constant, the contribution rate to the first pillar will increase to 20% in 2010, and then drop to 18% in 2011 and to 16% in 2012. Workers who opt to reduce their contribution rate to the second pillar in this period, will contribute 0% until 2010, 1% in 2011, and 2% in 2012. Finally, workers who decide to continue paying contributions during this period will receive a 6% employer's contribution to their second pillar individual accounts and 14% to the first State pillar from 2014 to 2017. However, this measure may be postponed for a year if the GDP growth rate falls below 5%. Under the previous rules, employers contributed 4% to the second pillar individual accounts and employees 2%, totaling 6%. (Source: United States Social Security Administration publication International Update, August 2009).

- On April 7, 2010, the Legislature passed a law that will gradually increase the retirement age for men and women to age 65 by 2026, starting in 2017. Men can currently retire at age 63 with at least 15 years of contributions and women at 60 and 6 months with at least 15 years of contributions. (The retirement age for women is gradually increasing by 6 months each year until it equals the retirement age for men at 63 in 2016). The law also requires the Government to carry out a study in 2019 to determine whether additional measures may be necessary, such as a greater increase in the retirement age to ensure the sustainability of the pension system. (Source: United States Social Security Administration publication International Update, May 2010).

Finland

- On September 26, 2014, the Government and representatives of society reached an agreement to reform the pension system as of 2017. The changes include the gradual increase in the minimum and maximum retirement ages, as well as a change in the formula for calculating old age pensions. The minimum retirement age would increase by 3 months per year, from 63 to 65 in 2025. At the same time, the maximum retirement age would increase from 68 to 70. This measure would only affect those who were born in 1955 or later; the minimum and maximum retirement ages remain at 63 and 68 for people born before 1955. Additionally, from 2025 onwards, the retirement age will be adjusted according to life expectancy, so that the ratio between the number of years of work and the time in retirement will remain at the level existing in 2025. Every 5 years checks will be performed to ensure that this ratio remains constant; otherwise the necessary adjustments to the retirement age will be made. Regarding the formula for the calculation of benefits[9], the discount factor on income throughout working life will be standardized at 1.5% and income earned from the age of 17 will be considered. The reform came into effect as of January, 2017. (Sources: Social Security International Update, Nov. 2014, Social Security International Update, Jan. 2017).
- On February 2016, the parliament approved a gradual increase in retirement age: as of January 2017, the minimum retirement age will increase from 63 to 65, at a rate of 3 months per year; the maximum age will also increase, from 68 to 70, at the same rate. The minimum and maximum retirement ages will subsequently be indexed to life expectancy, with maximum increases of 2 months per year. (Source: Global Retirement Update AON; Date: April 2016).

France[10]

- On October 27, 2010, the French National Assembly finally approved the pension reform Bill of Law that increases the minimum retirement age (for men and women) from 60 to 62 and the age for receiving full retirement benefits (for men and women) from 65 to 67. (Source: Progress of the Pension Funds No. 2, 2010).

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[9] At present, the formula for calculating pensions is the average annual income multiplied by the discount factor, multiplied by a coefficient of life expectancy. A discount factor of 1.5% for the income received from 18 to 52 years of age is currently applied; and 1.9% for the income received from 53 to 62 years of age and 4.5% for income received from 63 to 67 years of age. With the new formula, a sole discount factor of 1.5% will be applied.

[10] With the reforms approved to 2013, the number of years of contributions required for people born prior to 1952 to be able to take normal retirement is 164 quarters. They will be able to retire between the ages of 60 and 65 depending on when they meet the required contribution term. People born after 1955 will require 166 quarters of contributions to take normal retirement, according to the latest reform of 2011, between 62 and 67 years of age (gradual increase between 2017 and 2022). Early retirement for those born prior to 1952 is at the age of 60 if they do not qualify for a full pension under the General Regime and quarterly reduction coefficients are applied. For those born after 1956, there is an early retirement option at the age of 56, which is intended for those with long-term contribution careers and who, among other aspects, meet the conditions for a full pension under the General Regime and started working before the age of 18 (43 years of contributions as of 2012). Source: Social Security Magazine "Pensions in Europe: review of countries", July 2013.

- On 21 December, 2011, the Legislature approved a new law accelerating the increase in the retirement age that had been previously approved in the pension reform in 2010. The new legislation stipulates that the retirement age for men and women will increase by 4 months per year, from 60 to 62 (in the case of the reduced early pension), and from 65 to 67 (in the case of the full pension), one year prior to the date stipulated in the Law of 2010. (Source: Progress of the Pension Funds No. 1, 2012).
- On December 18, 2013, the National Assembly approved a reform of public pensions that primarily adopts the following measures, among others: (i) The contribution rates for workers and employers will gradually increase by 0.3 percentage points (pp) by 2017 (0.15 pp in 2014, and in 0,05 pp per year from 2015 to 2017; the contribution rates were previously 6.75% for workers and 8.4% for employers); (ii) The number of years of contributions required for accessing a full pension will increase gradually from 41.5 years to 43 years in the 2020-2035 period (a law promulgated in 2003 raised the contribution requirement from 40 to 41.5 years by 2020); (iii) As of 2014, most of the benefits will be indexed to changes in the cost of living in October of each year (the minimum retirement benefit will be adjusted twice a year (in April and October); the benefits were previously adjusted once a year (in April). (Source: Social Security International Updtae Ene. 2014).
- On April 15, 2023, the president signed a pension reform law that will enter into force on September 1, which, among other measures, establishes: (i) The gradual increase in the retirement age to 64 years by 2030 (from the 62 currently required); the age will gradually increase by three months each year, until reaching those born in 1968, which will be the first generation to which the legal age of 64 will already apply; (ii) The increase in the number of years of contribution required (from 42 currently to 43 by 2027), to be entitled to collect 100% of the pension (previously the legislation indicated that the required 43 years would be reached by 2035). (Source: https://www.jubilaciondefuturo.es/; 04.24.2023).

Germany

- As of 2012 the official retirement age will increase gradually from 65 to 67 (for men and women) by 2029, ("Law of adaptation of the pension insurance retirement age", approved on March 9, 2007). Individuals born in 1947 will retire in 2012 at age 65 and one month in order to guard against reductions in the amount of the pension. The retirement age will increase by one month per year until 2023 and two months per year between 2024 and 2029. (Source: Labor and Social Affairs Commission, Informative Note, March 2007).
- As of January 1, 2016, the tax ceiling for old age, disability and survival pensions will increase from EUR 72,600 to EUR 74,400 in Western Germany (approx. USD 79,562 to USD 81,534) and from EUR 62,400 to EUR 64,800 in Eastern Germany (approx. USD 68,384 to USD 71,014). (Source: AON Global RetirementUpdate; September 2015).

Greece

- On June 25, 2010, the Government approved a reform of the public pension system, which, inter alia: (i) increases the minimum early retirement age from 53 to 60; (ii) increases the retirement age for women from 60 to 65 in 2013, equaling the retirement age for men (beginning in 2020, the retirement age will be adjusted every 3 years according to changes in life expectancy); (iii) increases the minimum number of years of contributions for qualifying for a full pension from 37 to 40 by 2015; (iv) freezes pension amounts between 2011 and 2013; (v) changes the formula for calculating benefits; as of 2014 pensions will be indexed according to the variations of the CPI and will be calculated considering the average salary of the entire professional career (instead of considering the 5 years of best salaries in the last 10 years prior to retirement). (Source: International Update, Social Security Administration, August 2010).
- At the end of June 2011, the Government approved changes to the social security system as part of its 5 year austerity plan (2011-2015) for assuring loans for about EUR 12 billion (US$ 17 billion) and being able to meet its debt obligations. With regard to pensions, the changes: (i) Increase the means testing of solidarity pensions; (ii) Reduce lump sum pension payments to civil servants by at least 10% as of 2011; (iii) Extend the freezing of public pensions, from 2011 to 2015; (iv) Reform the disability pension system in order to reduce spending on disability benefits through more rigorous medical certifications. (Source:

International Update, Social Security Administration, August 2011).

- In November 2012, this country's Legislature approved a series of pension reforms (among other laws), as a precondition for the monetary aid agreement for EUR 49 billion (approx. USD 64 billion). The new measures concerning pensions that began to be implemented as of January 1, 2013, include: (i) increasing the mandatory retirement age for obtaining a full pension from 65 to 67 (as of 2020, the legal age will be automatically adjusted according to the increase in life expectancy every 3 years); (ii) Reduce monthly pensions that exceed EUR 1,000 (approx. USD 1,299), between 5% and 15%, depending on the income level (the general freeze on the level of pensions, which began in 2011, will be maintained until 2015); (iii) Reduce by up to 83% the bonus paid to public-sector employees earning less than EUR 2,500 (approx. USD 3,247) (in 2011, bonuses for workers in this sector with high wages were eliminated). (Source: International Update, Social Security Administration, Dec. 2012).
- During May and June, the parliament enacted a series of tax and pension reforms to secure loans from global creditors worth USD 11.5 billion. The measures are part of the bailout program agreed to last year with the EU, the European Central Bank and the IMF. These policies are aimed at generating a budget surplus in 2018 and reducing pension spending to 15% of GDP by 2019. The pension reforms implemented were: (i) a gradual phasing out of the means-tested social solidarity benefit (EKAS) by 2020 for approximately 380,000 low-income pensioners; (ii) a reduction in benefits by as much as 40% for the approximately 200,000 pensioners who receive pensions of more than €1,300 (US$1,453) a month; (iii) the introduction of a national flat-rate minimum pension of €384 (approx. USD 437) per month for workers who have at least 20 years of contributions at the normal retirement age of 67. (Source: International Update, Social Security Administration, June 2016).
- In May 2017, Parliament adopted a number of additional measures - including the freezing of pensions until 2022 - demanded by creditors within the framework of the second revision of the third bailout. The measures include the postponement, from 2021 to 2022, of an eventual pension increase. (Source: http://eleconomista.com.mx; 11.06.2017).

Hungary

- On May 11, 2009, the Legislature passed a public pension reform package, which mainly established the following measures: (i) Gradually increase the retirement age from 62 to 65 by 2022 (this change affects workers born in 1957 or later); (ii) Eliminate the so-called "13-month pension " (equal to one month's full pension) to replace it with a pension bonus linked to economic growth. The bonus, which ranges between $20,000 and $80,000 forints (between USD 101.13 and USD 404.66) depending on the level of economic growth, will be paid when GDP reaches an annual growth of 3.5%; (iii) Change the way pensions are indexed in the PAYGO system, subject to economic and wage growth conditions[11]. (Source: Social Security International Update June 2009).

Islandia

- On July 1, 2018, the contribution rate paid by private-sector employers under Iceland's mandatory occupational pension program rose from 10 percent of an employee's gross earnings to 11.5 percent. The rate increases are intended to raise additional revenues for Iceland's pension funds and to harmonize occupational pensions for public- and private-sector employees; the 11.5-percent contribution rate paid by private-sector employers now matches the rate paid by the government for its employees. (Source: Social Security International Update; July 2018).

Ireland

- At the end of June 2011, the Government promulgated two laws making the following four principal

[11] If GDP growth is less than 3%, pensions will be fully indexed in accordance with the variation of the CPI; If GDP growth is between 3% and 4%, pensions will be indexed by 80% of the variation of the CPI and 20% of the growth of wages; if GDP growth is between 4% and 5%, pensions will be indexed by 60% of the variation of the CPI and 40% of the growth of wages; if GDP growth is higher than 5%, pensions will be indexed by 50% of the variation of the CPI and 50% of the growth of wages.

changes to the Social Security system: (i) Eliminates the transient state pension as of January 1, 2014, which means that the retirement age will be 66 for all workers (previously, workers born after 1947 could retire at age 65 if they met all the eligibility requirements; (ii) Increases the normal retirement age for accessing a State pension, from 66 to 67 by 2021, and from 67 to 68 by 2028; (iii) Reduces the contribution rate financed by the employer, from 8.5% to 4.25% of the worker's salary, as of July 2 and until the end of 2013 (the contribution rate for workers, ranging from 4% of salary to 5% of salary, depending on the level of income, will remain unchanged); (iv) Introduces a tax of 0.6% on the assets of occupational pensions, in order to finance the creation of 20,000 new jobs and provide financial assistance and training. (Source: Social Security International Update Aug. 2011).

- On October 15, 2013, the Minister of Finance announced, within the context of the Budget Law for 2014, that a new tax of 0.15% on the assets of the occupational pension funds will be introduced (for two years as of 2014). The previous tax of 0.6% will only be enforced until 2014, so that the overall tax burden for that year will be 0.75%. As of 2015, the tax will only be 0.15%. Due to the improvement in the public finances, this levy will be eliminated by the end of 2015. (Source: Budget 2014: Pension related announcements, Irish Life Corporate Business; Social Security International Update, March 2014).

Italy

- On July 29, 2010, a new law was passed that gradually increases the retirement age for women in the public sector from 61 to 65 (the current retirement age form men in the public and private sectors). The first adjustment will be implemented on January 1, 2015, increasing the retirement age for a maximum of 3 months; the second adjustment will occur in 2019, and every 3 years thereafter. (Source: Social Security International Update Sept. 2010).
- On December 22, 2011 the Italian Legislature passed a package of austerity and growth measures (including pension reforms). The changes involves: (i) Freezing of pensions exceeding EUR 1,400 (approx. USD 1,825) in 2012 and 2013; (ii) An increase in the retirement age from 65 to 66 for men, and 60 to 62 for women as of 2012; the retirement age will then gradually increase to 67 in 2022, for men and women (the retirement age for both men and women should be 66 by 2018); (iv) As of 2013, the retirement age will be adjusted according to the variation in life expectancy (adjustments will be every three years starting in 2013, and will be based on the average data of the last three years with respect to the previous three years, and from the current retirement age of 65/60 for men and women, respectively); (v) Stricter requirements for access to the so-called "seniority pensions" as of 2012; (vi) An increase in the number of years of contributions required for an early pension, at 42 years and one month in the case of men and 41 years and one month for women, taking life expectancy into account (+ 3 months starting in 2013). (Source: Activa Social Security Magazine "How is the Sustainability Factor Applied in Europe?, January 2012).
- On November 11, Italy's cabinet released the final version of its 2022 Budget Law, which includes provisions that modify several early retirement options under the country's notional defined contribution (NDC) pension program. The new provisions applies changes to Quota 100, such that the minimum age-contribution sum will be 102, and the minimum retirement age will be 64. (Source: SSA international update, Nov 2021)

Latvia

- According to a Law passed in 2009, as of July 1, 2009, and until December 31, 2012, the amounts of public pensions will be reduced by 10%, and retirees who work (dependent and self-employed) will only receive 30% of their State old-age pension. Early retirement benefits will also be reduced by 30% for those who retired before June 30, 2009, and 50% for those who retired after July 1, 2009. (Source: www.issa.int; July 2009).
- On June 14, 2012 the Legislature passed a law, which: (i) Gradually increases the retirement age from 62 to 65, by 3 months per year between 2014 and 2025; and (ii) Increases the minimum Number of years of contribution for accessing a pension, from 10 to 15 years in 2014, and to 20 years in 2025. (Source: Social Security International Update Aug. 2012).
- On October 23, 2013, the Legislature approved Law 727 (Latvian), which introduces a series of measures

with regard to the country's budget. Among others, the measures stipulate that: (i) As of January 1, 2014, the total contribution rate to the Social Security system will be reduced by one percentage point (pp) from 35.09% to 34.09% (the contribution rate paid by the worker will be reduced by 0.5 pp, from 11% to 10.5% and the employers contribution rate will also drop 0.5 pp (from 23.59% 24.09%); and (ii) the contribution rate paid into the second individually funded pillar will be increased from 4% in 2013-2014 to 5% in 2015 and to 6% in 2016. Further details here. (Source: www.mercer.com; 08.11.2013).

Lithuania

- On July 1, 2009, the Government of Lithuania reduced the contributions to the second individual accounts pillar and correspondingly increased the contribution to the first public PAYGO pillar. The contributions paid into individual accounts dropped from 3 percentage points (pp) to 2 pp from July 1, 2009 to 2011, and were 1.5 pp in 2012 and 2.5 pp in 2013 (in January 2009, said contribution was reduced from 5.5 pp 3 pp, until June 2009[12]). (Sources: Social Security International Update, Aug. 2009; Sustainability of the Public Finance System via Optimization of Strategic Management, 2012).
- On June 9, 2011, the Legislature passed a law that will greatly increase the retirement age from 62.5 to 65 (men), and from 60 to 65 (women), by 2026. The retirement age will increase by 2 months per year for men, and by 4 months per year for women, as of January 1, 2012 (in order to receive a full pension, workers must also have contributed for 30 years). (Source: Social Security International Update July 2011).
- On November 14, 2012, the Legislature passed a law that changes the percentages of contributions financed by employer/worker that are paid into the individual accounts of the second pillar, allows workers who make additional contributions to the second pillar to be compensated with State contributions, and allows workers to opt out of the second pillar of individual accounts (participation in the second pillar is voluntary; however, once the worker has taken the decision to contribute to an individual account, it cannot be reversed). The new law reduces the contribution to the second pillar to 2 pp as of 2014 but allows workers to contribute an additional 1% to their individual accounts. Workers who make additional contributions will receive a government subsidy equal to 1% of the national average wage (as of 2017, the additional contribution will rise to 2% of the worker's salary, and the subsidy granted by the State will increase to 2% of the national average wage). Workers currently enrolled in the second pillar and those who enroll before the end of 2012 will have from April to September of 2013 to declare their intention of paying the additional contributions; new workers entering the labor force as of 2013 will be automatically enrolled to make additional contributions. The new law also allows workers to choose to opt out of the second pillar between April and September of 2013. Workers who opt out of contributing to an individual account will have the option of transferring the balances of their individual accounts to the PAYGO program of the first pillar, or leave the balances of the second pillar individual accounts intact, paying only future contributions into the PAYGO program. (Source: Social Security International Update, Dec.2012).
- On June 29, 2016, Parliament approved a tax ceiling in the public PAYGO program of 120 times the annual average salary in the economy, as of 2017 (approx. USD 100,000). There is currently no tax ceiling in the public PAYGO system. This ceiling will be reduced gradually to 60 times the average annual wage by 2022. An increase in the number of years required for accessing full pension, from 30 to 35 years, was also approved. (Source: Global Retirement Update AON; July 2016).

Luxembourg

- A pension reform law which encourages workers to remain in the labor market for a longer period of time and establishes a mechanism for adjusting the benefits provided by the PAYGO system came into effect on January 1, 2013. The law establishes a gradual modification (by 2052) of the benefits formula of the PAYGO system, comprising two parts: (i) A fixed portion, which depends on the number of years of

[12] In 2004, this contribution was 2.5%; in 2005, 3.5%; in 2006, 4.5%; and in 2007-2008, 5.5%. Initially, in June 2009, it had been decided that the reduction of the contribution to the individual accounts in 2009 would be reversed until again reaching 5.5% as of 2015. However, in early 2011, the Authority decided that this would not be the case. Source: Sustainability of the Public Finance System via Optimization of Strategic Management, 2012).

paid-in contributions, and (ii) A variable portion, which depends on the level of income. As a result, the fixed portion will increase slightly (on average, 0.44% per year), from EUR 433.86 (USD 572.81) in October, 2012; the variable portion, in turn, will decrease from 1.85% to 1.60% of the adjusted wages of the complete work trajectory. Once the law is fully implemented, workers will have to work 3 years more than what they work today in order to obtain a pension equal to the levels granted in 2012; workers who do not delay their retirement, will receive a pension 10% lower than the levels granted in 2012. (Source: Social Security International Update, Jan. 2013).

Macedonia

- In December 2013, the legislature passed amendments to the Social Security Law stipulating that the contribution rate (for pensions and disability insurance) will be 18% by 2014, and will drop to 17.6% in 2015 (this rate was previously scheduled to drop from 18% to 17.6% in 2014, and to reach 17.5% in 2015). In other words, the approved amendments delay the scheduled reductions of such rate. Meanwhile, the unemployment insurance contribution rate will remain unchanged at 1.2% (instead of being reduced to 1.1% in 2015, as planned), whereas the health insurance contribution (7.3%) and the work accident insurance commission (0.5%) will remain unchanged until 2015. Further details here. (Source: www.mercer.com; 16.12.2013).

Malta

- As of January 1, 2007, the retirement age began to increase gradually from 61 to 65 for men, and from 60 to 65 for women, by 2027. (Source: PriceWaterHouseCoopers News Alert; February 2007; "Retirement Ages in Member States", Finish Centre for Pensions, January 2004).
- In December 2013, the Government introduced amendments to the Social Security legislation, the most significant being the reduction in the retirement pension in the amount of the so-called "Pension Service" (paid by the employer). For such purposes, the amount of the Pension Service that is excluded from the calculation of old-age social security pension increases by EUR 200 (from EUR 1,266 to EUR 1,466). (Source: Global Social Security Newsletter, PricewaterhouseCoopers (PwC); December 2013).

Monaco

- As of October 1, 2012, a law came into effect that: (i) Increases the contribution rate to the public PAYGO system, for employers and workers, from 6.15% to 6.95% and 6.55%, respectively; if necessary in future, the law stipulates that the employers contribution could be increased by 1.3 percentage points and that of the workers by 0.7 percentage points; (ii) Modifies the formula for calculating pensions by means of a points system, in order to make it less generous; this points-based system must be reviewed every 7 years to determine whether it requires further adjustments. (Source: Social Security International Update, Nov. 2012).

Norway

- Important changes to the PAYGO system came into effect as of January 1, 2011. The reforms aim at reducing benefits (especially for higher incomes), introducing a flexible retirement age and modifying the rules and regulations governing the indexation of benefits, for the purpose of encouraging the extension of working life and adjusting pensions in line with longevity trends. The changes include: (i) A flexible retirement age, between 62 and 75; workers can collect a pension and continue working; the amount of the pension will be adjusted in accordance with a "longevity factor" based on the age of the individual at the time of retirement (under the existing rules, the retirement age is 67, but it can be deferred until age 70, earning a credit for obtaining a higher pension;) (ii) A change in the benefits calculation formula, based on the average contributions throughout working life from age 13 to 75, plus credits for periods with no paid-in contributions due to unemployment; furthermore, pension benefits will be adjusted annually based on the growth of wages, minus 0.75 percentage points (benefits will not be adjusted downwards in case of wage reductions). Pensions are currently calculated on the 20 years of highest income (for a full pension, after working a maximum of 40 years), and the benefits are indexed to changes in the average national wage; (iii) A means-tested pension will replace the current universal minimum fixed public pension. (Source: Social Security International Update Dec. 2010*)*.

- In December 2013, the Government announced that the contribution rate to the public PAYGO system would increase as of January 1, 2014, for workers (from 7.8% to 8.2% of gross salary) and employers (from 11% to 11.4% of the gross wage of the worker), totaling an increase of 0.8 percentage points (from 18.8% to 19.6% of the gross wage of the worker). (Source: Global Social Security Newsletter, PricewaterhouseCoopers (PwC); December 2013).

Netherlands

- On February 7, 2012, the Legislature passed a law that: (i) Increases the retirement age for accessing pensions in the first public PAYGO pillar. Under the new law, the retirement age for men and women will increase from 65 to 67 in 2023. However, in January 2015 the Lower House of Parliament approved a bill to accelerate the increase in the retirement age. Thus, the retirement age will be 66 in 2018 and 67 in 2021. Furthermore, from 2022 onwards, the retirement age will be modified according to changes in life expectancy. (ii) Establishes a reduced pension for workers who opt for early retirement (but not before age 65) and an increased pension for those who retire after the normal retirement age (up to 5 years later). The pension will be reduced by 6.5% for every year of early retirement, and will increase by 6.5% for each year of delayed retirement. (Source: Social Security International Update April 2012; Global Retirement Update, Hewitt Associates, January 2015).
- Effective January 1, 2015, a new law will be implemented that makes a number of changes to occupational pension plans. Particularly. The new law lowers the maximum benefit through the modification of the benefit formula for most occupational pension plans (career average) by further reducing the maximum annual accrual rate from 2.15 percent to 1.875 percent of average earnings. Another measure will set a ceiling on pensionable earnings at EUR 100,000 (aprox. USD 108,248) a year (except for disability pensions). For those workers who earn more than the maximum amount, a new type of voluntary supplementary plan will be established. (Source: Social Security International Update, Dec. 2014).
- On July 2, 2019, the parliament passed a law that reduces the rate of programmed increases in the retirement age for public pensions. According to a 2012 amendment to the General Old Age Pension Law (AOW), the retirement age was scheduled to increase from 65 to 67 (initially by 2023 but then accelerated to reach that level in 2021) with further increases automatic based on changes in life expectancy at 65 years (the law requires the government to announce the automatic increases at least 5 years before its implementation). Under the new law passed, the retirement age will remain at the level of 2019 (66 years and 4 months) until 2021 and will rise to 66 years and 7 months in 2022; to 66 years and 10 months in 2023; and will reach 67 in 2024. Starting in 2025, the retirement age will automatically increase based on increases in life expectancy at 65. (Source: International Update SSA, July 2019).

Poland

- On May 25, 2012, the President signed a bill of law to gradually increase the retirement age to 67 (65 to 67 by 2020 for men; and 60 to 67 by 2040 for women), with partial benefits available for those who take early retirement (prior to the promulgation of this law, the retirement age was 65 for men and 60 for women). As of 2013, the retirement age increased by three months per year. This measure was repealed in November 2016, so the retirement age will once again be 65 for men and 60 for women. (Sources: "Poland: New Law Increases Retirement Age", Towers Watson, Jun. 2012; International Update, Social Security Administration, July 2012; Global Retirement Update AON; July 2016).
- On December 27, 2013, the Polish President, Bronislaw Komorowski, signed the Private Pension Funds Reform law (OFEs, by its Polish acronym). The law provides that:
  (i) The part corresponding to the OFE system will no longer be mandatory, but rather voluntary, so that existing workers and new workers entering the labor market must decide between April 1 and July 1, 2014, whether they want all their pension insurance contribution (19.52% of the worker's gross salary) to remain in the State Social Security System (ZUS, by its Polish acronym) and be managed thereby, or whether they would prefer the ZUS to transfer a portion of the total

contribution to the OFE of their choice (if the worker does not choose, the default option is for the entire contribution to remain in the ZUS). Should the employee choose to allocate a part of the contribution to the OFE, the ZUS will transfer 2.92 percentage points (pp) of the total contribution to the OFE, and the remaining part (16.60 pp) will be managed by the ZUS (12.22 pp in the Social Security Fund (FUS) and 4.38 pp in a special sub-account of the FUS). This decision may again change in 2016, and from then on every 4 years (should someone wish to destine a portion of the contribution to the OFE, it will only be possible for new contributions and not for those accumulated in the ZUS, since they are part of the PAYGO system based on Notional Defined Contribution Accounts)[13].

(ii) 51.5% of all net assets under management in the OFEs were transferred to the ZUS on February 3, 2014.

(iii) The OFEs will be forbidden from investing in Treasury bonds and fixed income securities guaranteed thereby, but they will be free to invest in shares and in municipal and corporate bonds. In addition, the minimum limit of investment in variable income (shares) will gradually decrease from 75% of the net assets under management in 2014, to 55% in 2015, 35% in 2016, and 15% from 2017 onwards.

(iv) As of February 1, 2014, the funds of individuals who decided to pay one part of their contribution into the OFEs system will be gradually transferred from their OFE to the ZUS over a period of ten years prior to retirement (the funds transferred from the OFEs to the ZUS will be 1/10 of the accumulated funds of the workers, every year, in the last 10 years prior to retirement, until the individual account in the OFE has a zero balance).

(v) The pension fund managers will be legally prohibited from advertising in the period in which the workers must choose whether to contribute to an OFE or whether they will remain in the ZUS. There will be serious fines/penalties for any advertising by the fund managers.

(vi) There will be no minimum return guarantee.

(vii) There will be some changes to the guarantee fund. Prior to the reform, this consisted of two parts: one managed by the Domestic Securities Deposit (0.1% of the value of the net assets under management had to be paid by the fund manager from its own capital as collateral) and another part managed by the same fund manager (0.4%). Now, with the reform, the second part of the guarantee fund was eliminated, while the first was increased to 0.3% of the value of the net assets under management.

(viii) As of February 1, 2014, the maximum Commission on the contribution that the OFEs may charge for the management of resources was reduced from 3.5% to 1.75% (and the commission paid to the ZUS on this amount dropped from 0.8% of the value of the contribution to 0.4%). The OFEs will be allowed to charge members different commissions, depending on how long they have been enrolled in the system (an "award" or "bonus" system for those workers enrolled in the fund for a long time).

(ix) The foreign investment limit for the pension funds will be 30% of the value of the net assets under management. (Source: http://english.eastday.com; www.premier.gov.pl, 27.12.2013).

Portugal

- On April 5, 2012, the Government suspended early retirement for dependent workers covered by the public PAYGO system until the end of 2014. Only workers with long periods of unemployment and older workers receiving unemployment insurance benefits will be able to take early retirement. Other measures that have been adopted to help reduce the tax burden include: (i) The freezing of public pensions in 2011; (ii) The introduction of a special tax for pensions exceeding EUR 1,500 (1,985 USD) per

[13] In 2013, the amount transferred by ZUS to the OFE (before this reform was implemented), was 2.80 pp, and is was legally scheduled to increase to 3.10 pp in 2014, to 3.30 pp in 2015 and to 3,50 pp in 2016, and to remain at that level from 2017 onwards, but due to the new law that was passed, this will no longer be so. The new law also establishes the following changes. It must be pointed out that on May 1, 2011,a law reducing ZUS's transfer to the OFE from 7.3 pp to 2.3 pp came into effect (the 5 pp difference remained in a special sub-account of the FUS). (Source: Social Security International Update, May 2011).

month; (iii) The elimination of the 13th and 14th months of pension payments for retirees with incomes exceeding EUR 1,100 (US $ 1.456) per month. (Source: Social Security International Update, May 2012).

- On December 31, 2013, "Decree-Law No. 167-E/2013" was published in the Official Gazette. This law introduces changes to the public PAYGO system as of January 1, 2014. The following are some of the more important measures adopted:
  - (i) Increase the retirement age from 65 to 66 as of January 2014. Workers can retire at 65 with a full pension if they are "legally disabled" to work beyond that age (early retirement was suspended in May 2012, and this is expected to continue until June 2014; the only exceptions are individuals with long periods of unemployment, who will continue to retire at age 57). The Government plans to link future increases in the retirement age to changes in life expectancy.
  - (ii) Increase the special tax on contributions (introduced in 2011) for high-income individuals. The tax rate is in the range of 3.5% - 10% of the total taxable income.
  - (iii) Modify the sustainability factor used for calculating the initial pension as of 2015 (it was previously calculated as the quotient between life expectancy in 2006 and life expectancy in the year prior to retirement; life expectancy in 2010 is now taken as the basis). Thus, taking the life expectancy of the year 2000 as a reference, the new sustainability factor for 2014 implies a reduction in the initial pension of 12.34% (instead of a lesser reduction, of 5.43% when considering the year 2006 under the previous rule). Hence, a 65 year old individual who retires in 2014 must work another year in order to receive a pension equal to the one he would have received under the previous rules. (Source: Social Security International Update, March 2014).

- On April 30, 2014, the government announced several measures to reform the public pension system in order to reduce the fiscal deficit, including the following:
  - (i) An increase in the contribution rate for all workers from 11% of gross earnings to 11.2%.
  - (ii) Introduction of a balance factor—a new way of adjusting pensions—based on the relationship between revenues and expenditures and considering demographic and economic changes. However, no implementation date was specified. Currently, they are adjusted annually according to changes in the social support index (IAS), which is based on changes in the consumer price index plus growth in the country's GDP. However, this index has been frozen since 2010. (Source: USAID, Global Experience in Pension Reform; Sept. 2014).

- On April 2016, provisions governing the automatic increase in the retirement age were published; based on these provisions, and considering an average life expectancy of 65 between 2014 and 2015, the retirement age should increase from 66 to 66 and three months since January 2017. (Source: Global Retirement Update AON; April 2016).

Romania

- In 2009, the contribution rate destined to the second pillar of individually funded accounts was frozen at 2.0% of the gross wages of workers, despite the fact that the pension reform of 2008 stipulated that it should have increased to 2.5% (an increase of 0.5 percentage points (pp) was planned for each year, in order to reach 6% by 2016). However, the measure adopted in 2009 was temporary, and in 2010 the contribution rate destined to the second pillar increased by 0.5 pp (totaling 2.5%, following the scheduled growth trajectory and reaching 3.5% in 2012). This, In turn, meant that the contribution rate destined to the first public PAYGO pillar continued to decline proportionately (dropping from 28.8% in 2010 to 27.8% in 2012)[14]. (Source: FIAP based on Romanian Association of Private Pension Funds (APAPR);) International Headlines Mercer January 8, 2009; Global Retirement Update Aon Hewitt; y Pensions in Crisis: Europe and Central Asia Regional Policy Note, World Bank, 2009).
- A law reforming the public pension system was passed on December 15, 2010. It came into effect on

[14] In 2013 the contribution rate destined to the second individually funded pillar was 4% and will be 4.5% in 2014 (it is expected to increase to 6% by 2017). The contribution rate destined to the first public PAYGO pillar in 2013, in turn, is 27.3% and will be 26.8% in 2014 (it is expected to drop to 25.3% in 2017). Source: Romanian Association of Private Pension Fundss (APAPR).

January 1, 2011. Among other aspects, the Law: (i) gradually increases the retirement age, from 63 years and 9 months to 65 for men (by 2015), and 58 years and 9 months to 60 for women (by 2015); the retirement age for women will be 63 by 2030; (ii) increases the number of years required for a full pension from 32 years and 6 months to 35 years (for men) and from 27 years and 6 months to 30 years (for women) (the number of years of contributions required for accessing the minimum pension will also increase from 12 years and 6 months to 15 years for men and women); (iii) the public pensions indexation system will also be changed for a much less generous system than the existing one (public pensions will now increase on the basis of the consumer price index plus wage growth); (iv) many categories of public sector workers, special and non-contributory workers will be incorporated into the public PAYGO system; (v) the penalties for early retirement will increase and the granting of disability pensions will be more strictly controlled; (v) public pensions will be temporarily frozen in 2011,as part of the government's efforts to contain the massive 50% deficit in the public pensions budget. (Source: Progress of the Pension Systems FIAP No. 1, 2011) "Progress of the Pension Systems, FIAP No. 1, 2011; "Romania: Pension Fund Changes Made", Towers Watson, Jan. 2012).

- On December 3, 2013, the Government approved a bill of law amending "Law 263/2010 regarding the unified public pension system", whereby:
  - (i) Women born after January 1971 must retire at age 65 from 2035 onwards, in order to qualify for retirement benefits, thus matching the retirement age of men (in the period from January 2011 to January 2015, the retirement age for women will increase from 59 to 60, and the retirement age for men from 64 to 65; as of February 2015, the gradual rise in the retirement age will continue only for women, from 60 to 63 by 2030; as of January 2035, women will retire at the same age as men (65).
  - (ii) The number of years of contributions required for obtaining a full old-age pension will gradually increase from 28 years (women) and 30 years (men), to 35 years as of 2030;
  - (iii) The minimum number of years of contribution will increase from the current 13 years to 15 years for men and women as of 2030. It must be pointed out that this bill of law must still be approved by the Legislature. Further details here and here. (Source: www.aonhewitt.com; www.agerpres.ro; www.hotnews.ro; 04.12.2013).

- On November 29, 2023, the government enacted a social security reform law (PAYGO system) which raises the normal retirement age for women, changes retirement age reductions for mothers, slows women's contribution increases for obtaining a full pension, changes eligibility requirements for early retirement, modifies the old-age pension benefit formula, and implements cost-of-living adjustments to pensions. The reforms are aimed at improving the adequacy and sustainability of the country's social insurance program and are a condition for receiving additional financial assistance from the European Union's pandemic recovery fund. According to the National House of Public Pensions, which manages the social insurance program, there were 4.6 million pensioners receiving an average monthly pension of 2,009 lei (USD 439) in November. Key reforms made by the new law (all effective January 1, 2024, unless otherwise noted) include:
  - (i) Raising the Official Retirement Age for Women: The official retirement age for women will gradually increase from 62 years and 1 month to 65 (the same official retirement age for men) by January 2035. Under existing rules, the official retirement age for women would gradually increase to 63 by January 2030.
  - (ii) Modification of the reductions in the retirement age for mothers: Under the new law, women with full contributions (currently 32 years and 4 months of contributions) can receive a 6-month reduction in their official retirement age for each child they raise up to the age of 16, with a maximum reduction of 3 years and 6 months. Women who have completed the minimum 15 years of contributions, can receive a reduction of 6 years for raising three children up to the age of 16, plus a reduction of 1 year for each additional child raised.
  - (iii) Slower increases in the number of years of contribution required for women: The number of years of contribution required for women to receive a full old-age pension will gradually increase from 32 years and 4 months to 35 years (the same number of years of contribution required for men) by January 2035, instead of January 2030. The minimum number of years of contribution required for

accessing a partial old-age pension will remain at 15 years, for both men and women.

(iv) Change in Early Retirement Eligibility: Insured individuals may claim full old age pensions up to 5 years prior to the official retirement age, if their number of years of contributions exceed the number required for a full pension by at least 5 years instead of 8. Insured individuals will still be able to claim partial old age pensions up to 5 years Prior to the official retirement age, if they have completed the number of years of contribution required.

(v) Modification of the old-age pension benefit formula: A new benefit formula will be introduced in September 2024 to ensure that workers holding the same jobs for the same number of years receive equal old-age pensions. The pensions of existing pensioners will be recalculated using this new formula, which will continue to be based on a points system. Under the new system, the monthly old-age pension is calculated by multiplying the insured's total pension points by the value of the pension points. In contrast, in the existing system, the monthly pension is calculated by multiplying the average lifetime cumulative score of the insured (which is based on pension points) by the value of the pension points (in both systems, pension points are calculated based on the insured's income history and number of years of contributions). The government estimates that approximately 3 million pensioners will see their benefits increase by an average of 22% due to the new calculation.

(vi) Implementation of cost-of-living adjustments: Pensions will increase by 13.8% in January 2024 by adjusting the value of pension points from 1,785 lei (USD 390) to 2,032 lei (USD 445). (Source: International Update Social Security June 2024; June 2024)

Russia

- On July 24, 2009, the President signed into law a proposal that modifies the financing of Social Security benefits as of January 1, 2010. The law replaces the sole social tax system with a fixed contribution financed by the employer, changes the collection process, increases the contribution rate and introduces a cap on the contributions of the employer. Under the sole regressive social tax system, employers pay up to 26% of taxable income to the tax supervision authority, and this percentage decreases as the annual income of workers increases. No mandatory contribution by workers is required. The tax inspection authority then distributes these contributions to the Pension Funds, the Social Security Fund, and the Mandatory Medical Insurance Fund. The new law abolishes this tax system and replaces it with a fixed contribution financed by the employer (which was 26% in 2010 and will increase to 34% as of 2011), payable on the first 415,000 rubles (approx. USD 13,037) of the annual income (this tax ceiling will be indexed annually to the changes in the average salary). Employers will have to pay these contributions directly to the three funds. In 2010, the combined 26% contribution will be assigned as follows: 20% to the Pension Fund, 2.9% to the Social Security Fund, and 3.1% to the Mandatory Medical Insurance Fund. The increase of the combined contribution rate to 34% in 2011 will mainly benefit the Pension Funds, by increasing their allocation to 26% (the Social Security Fund will receive 2.9%, and the Mandatory Medical Insurance Fund will receive 5.1%). (Source: Social Security International Update, Sept. 2009).
- A new pension law came into effect on January 1, 2014, after its approval by the State Duma (Lower House), the Federal Council and its signing by President Putin at the end of December, 2013. The Law provides that, among other issues: (i) All the non-State pension funds (NPFs) will have to change their current status of "non-profit organizations" to "corporations" (at the beginning of 2016 for those offering mandatory pensions and as of 2019 for the voluntary funds), and must be approved by the Bank of Russia, the Central Bank and the pensions regulator (the NPFs that do not convert by the established deadlines will be liquidated;) (ii) workers can choose to pay a contribution of 6% of their salary to the private fund or finance the full contribution of 22% of the salary to the first pillar - also defined as the default option (the deadline for exercising this option expires at the end of 2015; meanwhile, in 2014, the contribution rate to the second pillar of individual accounts of those members who do not choose an NPF (and who therefore by default contribute to the State Fund Manager VEB), will be reduced by 4 percentage points (from 6% to 2%), and this part will be destined to the first public PAYGO pillar). It should be noted that this law does not change the mandatory retirement age of 55 for women and 60

for men. Further details here, here and here. (Source: www.mercer.com; www.aon.com; January 2014).

- A new public pensions law came into effect on January 1, 2015. This law gradually increases the minimum number of years of contributions required to qualify for a defined benefits pension, from 6 to 15 by the year 2024. The law maintains the structure of the pension system, based on a 1st Pillar (defined benefits and State-run) and a second individually funded pillar (defined contribution and privately managed). Workers must contribute 10% to the first pillar and 6% to the second pillar. The former private pension fund managers must make a series of adjustments in the light of the new law: (i) change from being non-profit to joint stock companies; (ii) obtain a license from the Bank of Russia to operate; (iii) establish a reserve fund and a guarantee fund. Furthermore, the accounts managed by the Vnesheconombank (VEB), the State institution that managed the 2nd Pillar accounts of individuals who did not chose a private fund manager, must gradually be transferred to the private fund managers between 2015 and 2017. This includes the contributions that have been frozen by the Government since 2014. (Source: Social Security, International Update, Feb. 2015).
- Due to budget constraints, the Government decided to suspend the indexing of public pensions based on inflation as of the second half of 2016. Instead, all pensioners will receive a one-off payment of US$ 77. The portion of the contribution paid into the second individual accounts pillar will also continue to be paid into the first public PAYGO pillar, as has been the case since 2014. (Source: Global Retirement Update, Sept. 2016).
- New law increases the official retirement age and extends eligibility for early retirement. Last October 3, 2018 Russia's President enacted a pension reform law that gradually increases the official retirement ages and extends eligibility for early retirement within the framework of the country's Social Security program. As of January 1, 2019, the official retirement age will increase by 1 year each year, from 60 to 65 for men, and from 55 to 60 for women. In order to limit the effect of these changes on certain vulnerable groups, the law will allow men with at least 42 years of contributions, and women with at least 37 years of contributions, to retire up to 2 years before the official retirement age (but not before age 60 for men and 55 for women). Mothers with at least 15 years of contributions, with three or four children, will also be able to retire at the age of 57 (with three children) or 56 (with four children). (Source: Social Security International Update; October, 2018).

Slovakia

- The 2003 pension reform Law (Act No. 461/2003 Coll. on Social Insurance*)*, introduced a gradual increase in the retirement age from 60 to 62 for men by 2007, and from age 53-57 to 62 for women (depending on the number of children) by 2015 (in 2008 women could retire at age 56 and 9 months). (Source: Pension Funds Online; http://www.issa.int/; Social Security Programs Throughout the World: Europe, 2012).
- On September 1, 2012, a law was promulgated that reduces the contribution to the individually funded program (from 9% to 4% of the worker's salary), and correspondingly increases the contribution destined to the public PAYGO program (from 9% to 14%). Contributions to the individually funded program are financed only by the employer, from its total contribution to the system (14%: 10% to the PAYGO program and 4% to the individually funded program); the worker only contributes to the PAYGO program (4%). (Source: Social Security International Update, Sept. 2012).
- On April 10, 2019, the president approved a constitutional amendment that limits the increase in the retirement age once it reaches 64 years and allows women with children to retire 6 months before (with a child), 12 months before (with two children) or 18 months before (with three or more children) and receive a full pension. The changes will take effect on July 1, 2019. Since 2017, the normal retirement age (62 years and 6 months for people born in 1957) has gradually increased due to increases in life expectancy; It is expected to reach the age of 64 in 2030. (Previously, there was no upper limit for future increases in the retirement age and different qualification conditions applied to women with children). (Source: International Update, Social Security Administration, May 2019; May 2019).

Slovenia

- On September 28, 2010, the Government approved the budget Bills of Law for 2011 and 2012, which freeze pensions at existing levels for the year 2011, with an increase in 2012 only if inflation exceeds 2%. This austerity measure is an attempt to reduce the projected public deficit of 5.8% of GDP in 2010 to less than 3%, as required under the European Union's Growth and Stability Pact. (Source: Social Security International Update, Oct. 2010) .

- A law increasing the retirement age for men and women and modifying the formula for calculating the pensions of the public PAYGO system came into effect on January 1, 2013. Under the previous legislation, the retirement age varied according to gender and years of contributions: 63 years of age (men) or 61 years of age (women), with at least 20 years of contributions; 58 years of age (men) with at least 40 years of contributions, or 57 years and 4 months (women) with at least 37 years and 9 months of contributions; and 65 years of age (men) or 63 years of age (women), with at least 15 years of contributions. The new law changes the conditions of the last two categories, so that workers (men and women) will be able to retire at age 60 with at least 40 years of contributions, or at age 65 with at least 15 years of contributions. Furthermore, the pension calculation formula will be less generous: instead of calculating pensions considering the 18 years of highest wages, the 24 years of highest income will be taken into account. (Source: Social Security International Update, Jan. 2013).

Spain

- The Senate approved several modifications to the public PAYGO system in Dec. 2021, many of which entered into force in January 2022, and among which the following stand out: (i) On January 1st of each year, pensions will increase according to the average annual inflation of the previous year (previously the adjustment was made according to the estimated CPI at the beginning of each year), and if inflation is negative, the pensions will remain unchanged; (ii) Various measures to voluntarily bring the effective age closer to the legal retirement age, such as penalizing early retirement, and incentives for later retirement; and (iii) An "Intergenerational Equity Mechanism" (MEI) that replaces the repealed "Sustainability Factor", and that will reactivate the Social Security Reserve Fund through an additional contribution of 0.6% (financed by workers with a 0.1% contribution and employers with 0.5% contribution), from 2023 to 2032. (Source: www.lamoncloa.gob.es; www.jubilaciondefuturo.es; June 2022).

- A series of changes to the public pension system approved in August, 2011 (Law 27/11) will start being enforced as of January 1, 2013. The changes include the following: (i) The official retirement age increases from 65 to 67, by one month per year until 2018, and 2 months per year until 2027; (ii) The number of years of computation for the calculation of the Regulatory Base of the pension increases from 15 to 25 years, gradually towards 2022 (in 1 year for each year); It should be noted that the minimum number of years of contribution to receive a pension is maintained at 15 years, and that in addition, a specific contribution period is required for which 2 years of contributions must be within the 15 years immediately prior to the moment to cause the right to a pension; (iii) The number of years of contribution to receive a full pension (100% of the Regulatory Base) increases from 35 to 37 years of contributions, with the following calendar: 35.5 years of contributions between 2013 and 2019; 36 years listed between 2020 and 2022; 36.5 years listed between 2023 and 2026; and 37 years of contributions from 2027 (it should be noted that for workers to continue retiring at age 65, the requirement of years of contributions rises to 38.5 years by the year 2027). The schedule for increasing the retirement age and contribution periods is as follows:

Year	Contribution periods	Required Age
2013	35 years and 3 months or more	65 years
	Less than 35 years and 3 months	65 years and 1 month
2014	35 years and 6 months or more	65 years
	Less than 35 years and 6 months	65 years and 2 months
2015	35 years and 9 months or more	65 years
	Less than 35 years and 9 months	65 years and 3 months

2016	36 or more years	65 years
	Less than 36 years	65 years and 4 months
2017	36 years and 3 months or more	65 years
	Less than 36 years and 3 months	65 years and 5 months
2018	36 years and 6 months or more	65 years
	Less than 36 years and 6 months	65 years and 6 months
2019	36 years and 9 months or more	65 years
	Less than 36 years and 9 months	65 years and 8 months
2020	37 or more years	65 years
	Less than 37 years	65 years and 10 months
2021	37 years and 3 months or more	65 years
	Less than 37 years and 3 months	66 years
2022	37 years and 6 months or more	65 years
	Less than 37 years and 6 months	66 years and 2 months
2023	37 years and 9 months or more	65 years
	Less than 37 years and 9 months	66 years and 4 months
2024	38 or more years	65 years
	Less than 38 years	66 years and 6 months
2025	38 years and 3 months or more	65 years
	Less than 38 years and 3 months	66 years and 8 months
2026	38 years and 3 months or more	65 years
	Less than 38 years and 3 months	66 years and 10 months
From 2027	38 years and 6 months or more	65 years
	Less than 38 years and 6 months	67 years

(iv) The benefits for workers who remain in the labor market beyond the normal retirement age will increase between 2% and 4%, depending on the number of years of contribution. For workers with less than 25 years of service, the incentive will be 2%; for those with between 25 and 36 years of service, the incentive will be 2.75%; and for those with 37 or more years of service, the incentive will be 4%. Furthermore, as of 2027 the law establishes the introduction of a "sustainability factor" which will automatically adjust all the relevant parameters of the system based on changes in life expectancy, every 5 years. (Source: Social Security International Update Jan. 2013).

- On December 19, 2013 the Chamber of Deputies gave its final approval, following passage through the Senate, of the Law Regulating the Sustainability Factor and the Revaluation Rate of the Pension System, which will become effective as of January 1, 2014. It provides that: (i) The Sustainability Factor, which links the evolution of pensions to life expectancy, will be applied starting in 2019, will be used in the calculation of the initial pension and will be reviewed every five years; (ii) There will be a new Revaluation Rate, ensuring the annual increase in pensions at a minimum rate of 0.25% (the maximum rate is fixed as the CPI of the previous year plus 0.50%, when the economic situation is favorable). The law envisages two impact control and measurement mechanisms: (i) Every 5 years the Government will submit an assessment report to the Chamber of Deputies and social agents that will enable verifying the adequacy of pensions; (ii) The opinion of an Independent Fiscal Liability Authority will be sought regarding the values calculated by the Ministry of Employment and Social Security for the Pension Revaluation Rate, applicable in each fiscal year, and the Sustainability Factor. The new public supervisory authority will be dependent on the Ministry of Finance and Public Administration. Further details here. (Source: www.lamoncloa.gob.es; 19.12.2013).
- On March 30, 2022, Order PCM/244/2022 was published, which develops the legal rules for Social Security contributions, unemployment, protection for cessation of activity, Salary Guarantee Fund and professional training for the fiscal year 2022. Determination of the contribution bases in the General

Regime, with effect from January 1, 2022. The Order enters into force on April 1, 2022, however, it is applied retroactively from January 1, 2022. With this, as of January 1, 2022, the maximum limit of the contribution base to the General Regime for any category and professional group is 4,139.40 euros, 1.7% more than in the year 2021. (Source: Deloitte; March 2022).

- On March 16, 2023, the Council of Ministers approved, with the support of the Unions and the approval of the European Commission, a reform to the pension system. Among the measures that increase the income of the pension system are:

    1. The extension of the period of application of the Intergenerational Equity Mechanism (MEI) to 2050, as well as the increase in its percentage to 1.2% in 2029 (doubling the current 0.6%). Of that 1.2%, the company assumes 1% and the worker 0.2%. Likewise, the additional contribution that the MEI entails is extended until 2050, instead of 2032 as foreseen before the new law.
    2. The application of a solidarity contribution surcharge for people with higher salaries, which would start with 1% on the excess of the maximum taxable income in 2025, increasing to 6% by 2045 (in that year that percentage would be as follows: 1% worker; 5% company).
    3. The non-symmetrical annulment of the maximum taxable income (i.e. the taxable income would increase more than the maximum pension). The maximum taxable income will increase by 38% between 2024 and 2050 (cumulative increase, considering the additional percentage applied over and above the revaluation of the CPI), whereas the maximum pension will increase by approximately 3% by 2050. (Source: https://www.jubilaciondefuturo.es/; 24.03.2023).

- In March 2024, the regulations for applying the new social contribution ("solidarity contributio") that the highest salaries will pay to support pensions were approved; this includes a new contribution rate in three brackets that starts between 0.92% and 1.17% from 2025 and progressively rises to between 5.5% and 7% in 2045. In this way, the highest salaries will start paying the solidarity fee to support pensions in 2025. The Council of Ministers has approved a Royal Decree incorporating the necessary regulatory development to apply the new social contribution that the highest salaries will pay to support pensions. The so-called "solidarity fee" is applied to the salary bracket that exceeds the maximum contribution base. It includes a new contribution rate in three brackets that starts at 1% in 2025 and will rise progressively to around 6% in 2045, as approved in the last pension reform. The rate for workers whose salaries exceed the maximum contribution base (currently 56,600 euros) starts at 0.92% in 2025 and reaches 5.5% in 2045 for salaries up to 10% above the base; 1% and up to 6% for salaries between 10% and 50% above the maximum base; and 1.17% and up to 7% for salaries 50% above the maximum base. The highest rate would apply to a salary of around 90,000 euros today. There are also changes affecting the self-employed and their new Special Regime for Self-Employed Workers (Reta). The General Treasury of Social Security has extended until June 30, 2024 the deadline for corporate self-employed workers to submit the necessary documentation on company registration and affiliation, registrations, deregistrations and changes in employee data in Social Security; and to communicate certain data on their activity, necessary in the new contribution system based on real income or net profits, which came into force in 2023. (Source: El Economista; 03.26.2024)

Sweden

- On January 1, 2020, 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, June 2020)

- On January 1, 2023, Sweden's government implemented retirement rule changes that include raising the minimum retirement age for contributory pensions, increasing the retirement age for noncontributory pensions and supplemental benefits, and raising the age at which employment protections end. The changes are intended to improve the sustainability of Sweden's pension system as Swedish life expectancy continues to rise. The key changes implemented by the government include raising the minimum retirement age for contributory pensions from 62 to 63, increasing the retirement age for noncontributory pensions and supplemental benefits from 65 to 66, and raising the age at which employment protections end from 68 to 69. (Source: SSA International Update February 2023; February 2023).

Switzerland

- In a national referendum held on September 25, Swiss voters approved an amendment to the old-age pensions and social insurance survivors law, which will gradually raise the official retirement age for women from 64 to 65, bringing it in line with the official retirement age for men. According to the amendment, the retirement age of women will increase by 3 months per year as of 2025, until it reaches 65 in 2028. Furthermore, to reduce the effects of the increase on women approaching retirement, the amendment will allow women born between 1961 and 1969 to retire early under more favorable conditions or receive a monthly pension supplement if they retire at, or later than, the official retirement age. Switzerland's government approved the amendment earlier this year to ensure that the social security fund for old-age and survivors' pensions remains financially balanced until at least 2030. The shift also follows a broader movement among rich countries toward eliminating gender-differentiated retirement ages. 9 of the 38 OECD countries currently have different retirement ages for men and women, and 4 of these (including Switzerland) have passed legislation to close the gender gap. Other key details of the approved amendment (which is expected to come into effect in 2024) include:
    1. Special rules for early retirement: Women born between 1961 and 1969 will be able to claim their old-age pensions from the age of 62 when the normal increase in the retirement age is implemented and will be subject to lesser penalties for early retirement. Depending on their average annual income, these women will see their pension reduced by up to 3.5% for retiring at 64, up to 6.5% for retiring at 63, or up to 10.5% for retiring at 62. Normally, early retirement is only possible up to 2 years before the normal retirement age, and the pension reduction rate is 6.8% for each year of early retirement.
    2. Compensatory pension supplement: If women born between 1961 and 1969 choose to claim their old-age pensions at or later than the official retirement age, they will receive a monthly pension supplement which varies according to income and year of birth. The basic monthly supplement will be 160 francs (USD 163) for women with average annual earnings of up to 57,360 francs (USD 58,482), 100 francs (USD 102) for women with average annual incomes exceeding 57,360 francs but not exceeding 71,700 francs (USD 73,102), and 50 francs (USD 51) for women with average annual incomes exceeding 71,700 francs. These basic amounts are further adjusted according to the woman's year of birth, with full amounts paid to women born in 1964 and 1965 and partial amounts (ranging from 25% to 81% of total amounts) paid to women born in other qualifying years. This pension supplement will not count towards pension maximums, nor will it affect eligibility for other fringe benefits.
    3. Amendment of the contribution rules for older workers: Currently, people who continue to work after reaching normal retirement age stop contributing [if their gross monthly earnings are up to 1,400 francs (USD 1,427) or continue to pay contributions without increasing their pension rights (if the gross monthly income exceeds 1,400 francs)]. To make it financially attractive to work at more advanced ages, the amendment will allow all people (men and women) working beyond the official retirement age to continue to pay contributions for higher pensions.
    4. Increase in value-added tax: The value-added tax (VAT) that partially finances old-age and survivors' pensions will increase from 7.7% to 8.1% (in addition to VAT, a tax on casino income and social

security contributions will be used to finance old-age and survivors' pensions). (Source: SSA International Update October; October 2022).

- **The country is raising the retirement age for women to match that of men and offering more flexible retirement options for all genders.** Switzerland's AHV/AVS 21 law, which was approved by parliament and then passed by public referendum in 2022, took effect January 1, 2024. Among other things, the law will increase the age for normal retirement (now called the "reference age") for women under the social security AHV/AVS[15] retirement program as well as for pension plans that provide the mandatory BVG/LPP[16] retirement benefits. Key details:
  - The reference age for women (currently age 64) under the AHV/AVS and under BVG/LPP pension plans will be increased in four steps (by three months each year from 2025 to 2028), reaching age 65 (thus aligning with the current reference age for men).
  - To compensate for the effect of this change, women closer to retirement will receive a lifetime pension supplement based on their birth year (for women born from 1961 to 1969) and income level.
  - More flexible options for retirement are provided; early retirement is possible from age 63 (whereby pension funds may allow it from age 58) and deferral of retirement is possible until age 70 as long as employment is continued; partial (early/deferred) retirement is possible.
  - For both women and men who remain in work beyond their reference age, their AHV/AVS contributions will result in larger AHV/AVS benefits (previously not the case), potentially incentivizing deferred retirement.

  In addition, further AHV/AVS reforms are planned, which also could affect BVG/LPP pension plans. In March 2024, the initiative for a 13th month of AHV/AVS pension was adopted in a public vote; however, the financing and implementation modalities still have to be worked out. Currently, it is expected that the reform will lead to an AHV/AVS pension increase of 8.33% and that this will be paid out monthly or yearly from 2026. For pension plans, the introduction of the 13th AHV/AVS pension will have an impact wherever occupational benefits schemes are based on the AHV/AVS pension, in particular with regard to the BVG/LPP threshold amounts, the BVG/LPP benefits and the AHV/AVS bridging pensions. (Source: WTW; 30.05.2024).

Ukraine

- On September 9, 2011, the President signed the Law of Ukraine "On Legislative Measures for Pension Reform" No. 3668-VI, which establishes the following measures to be applied to the public PAYGO program (1st pillar): (i) Gradually increase the retirement age of: (i) women, by 6 months per year, from October 1, 2011, from 55 to 60 by 2020; (ii) male public servants by 6 months per year, starting in January 1, 2013, from 60 to 62 by 2016.; (iii) increases the number of years of contributions for obtaining a full old age pension for women from 20 to 30 years, and from 25 to 35 years for men; (iv) increases the minimum number of years of contributions for obtaining a minimum pension from 5 to 15 years; (v) establishes a maximum pension of 10 minimum wages for disabled individuals; (vi) the average national wage of the last three years will be used for calculating pensions as of January 1, 2012. (Source: Legislation Monitoring: Law of Ukraine 'On Pension Reform Legislative Measures", USAID, http://www.finrep.kiev.ua/October 2011).
- A series of provisions approved in May 2013 through a law reforming the public PAYGO system began to be applied as of July 1, 2013. The main measures are: (i) The periods of maternity leave and those in which unemployment benefits are received will be taken into account when calculating pensions; (ii) A new mechanism will be considered for filling in incomplete periods of service in the benefits formula; (iii) Pensions will be indexed annually using a flexible formula, whereby the pension is never adjusted below the level of inflation and takes into account at least 20% of wage increases. Further details here. (Source: www.mlsp.gov.ua; www.mercer.com; 08.07.2013).

[15] Old age and survivors insurance.
[16] Federal Law on Occupational Old-Age, Survivors' and Disability Pensions.

- On April 1, 2021, the minimum retirement age for women was increased from 59 years and 6 months to 60 years (thus equaling the retirement age of men), and the minimum years of contributions required for a pension were increased from old age before 65, from 27 to 28 (for retirement at ages 60 to 62) and from 17 to 18 (for retirement at age 63 to 64). It should be noted that at least 15 years of contributions are required to claim an old-age pension at age 65; this minimum does not change according to current law. The retirement age increase is the latest in a series of 6-month-per-year increases, started in 2012, to gradually eliminate gender-specific retirement ages in the country's social security pension program (pay-as-you-go system). Before these increases, the minimum retirement ages for men and women were 60 and 55, respectively. (Source: International Update, SSA, April 2021).

United Kingdom

- On May 14, 2014, the Pensions Act 2014, which includes various provisions covering both the state pension system and private pensions, received Royal Assent. The Act outlines key features of the new state pension system, to be implemented on April 6, 2016 and modifies the scheduled increase in retirement ages. The main measures include: (i) introducing a new single-tier state pension (STP). The current basic state pension (BSP) and earnings related state second pension will be replaced by a flat-rate pension for new pensioners. The STP will be set above the existing basic level of means-tested support (GBP 148.40/USD 252.55 per week); the full benefit will be based on 35 qualifying years (currently 30 years for a full BSP). A reduced benefit will be paid with at least 10 years of contributions. Benefits will be indexed annually by at least the increase in average earnings. (Currently, BSP benefits are adjusted to the growth in average earnings and price increases, or by 2.5 percent, whichever is higher.) (ii) Accelerating the increase in the state pension age. The state pension age will rise gradually from 66 to 67 between 2026 and 2028 — 8 years earlier than currently scheduled. The government will be required to review the state pension age every 6 years starting in 2017. (Source: USAID, Global Experience in Pension Reform; Sept. 2014).
- According to the new temporary framework envisaged by the Executive, the official retirement age will increase to 68 between 2037 and 2039, whereas the previous calendar expected it to increase between 2044 and 2046. The measure will affect all those born between April 6, 1970, and April 5, 1978, who will continue to receive a public pension for a longer period than previous generations, according to the Ministry of Labor and Pensions. The current retirement age is 63 for women and 65 for men, but in 2019 it will be 66 for men and women, and 67 as of 2026. (Source: www.lavanguardia.com; 19.07.2017).
- Equal official retirement age for men and women. Last November 6, 2018 the United Kingdom increased the official retirement age for women in the public pension system from 60 to 65, thus equalizing the retirement ages of men and women. According to the government, these retirement age increases are necessary to ensure the financial sustainability of the pension system, since people are living longer. (Source: Social Security International Update; November, 2018).