



Pension Reform in Europe: Recent Experiences and Challenges Ahead

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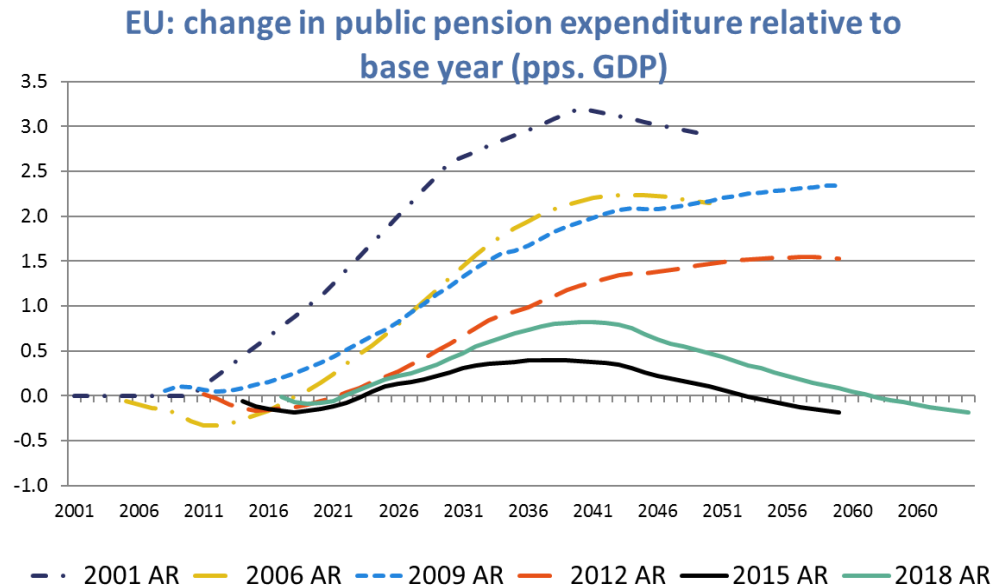
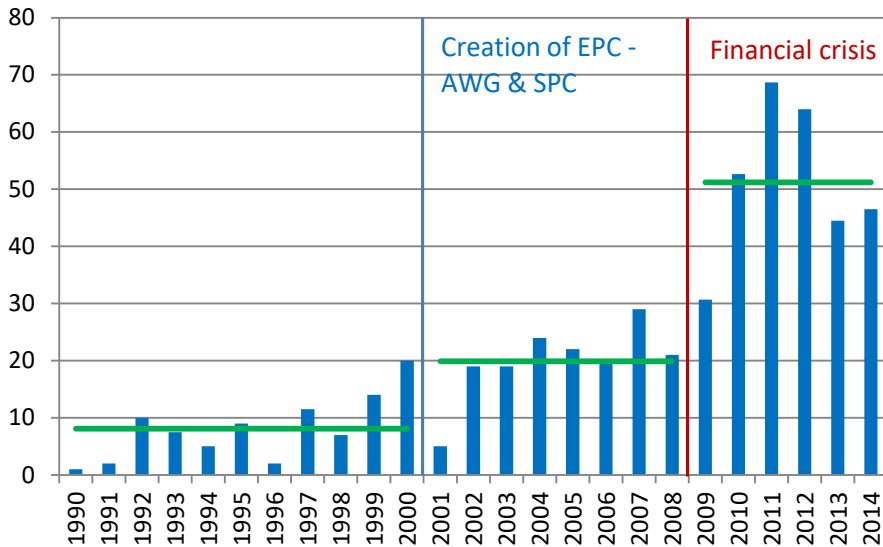
European Commission
Directorate General for Economic and Financial Affairs

Brussels, 2 October 2019

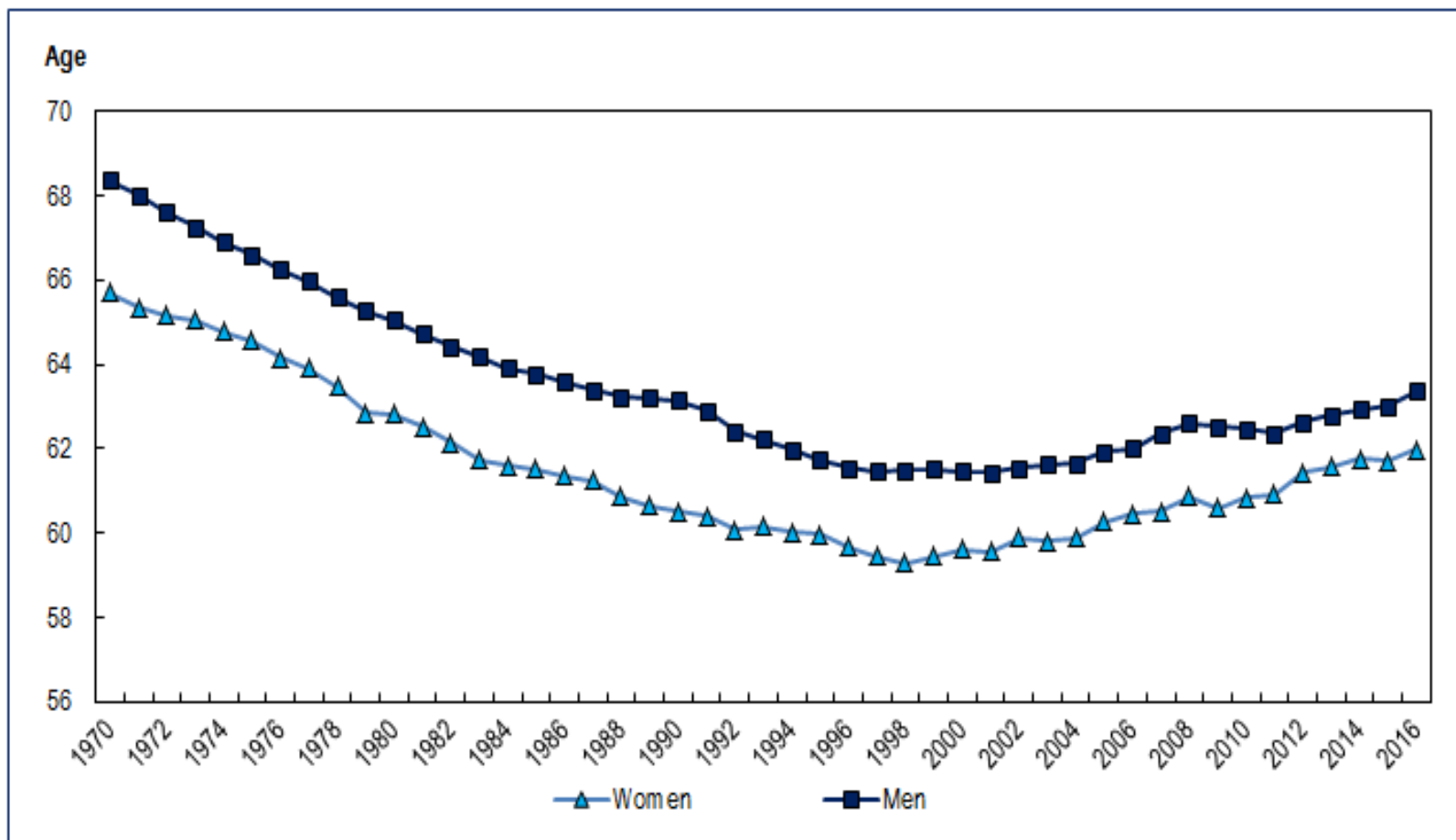
Two decades of pension reforms

The intensity of pension reforms in the EU has been particularly strong since early 2000's...

... with a substantial impact on projected expenditure trends



Average effective labour market exit age, EU-28 by gender, 1970-2016



Automatic adjustment mechanisms

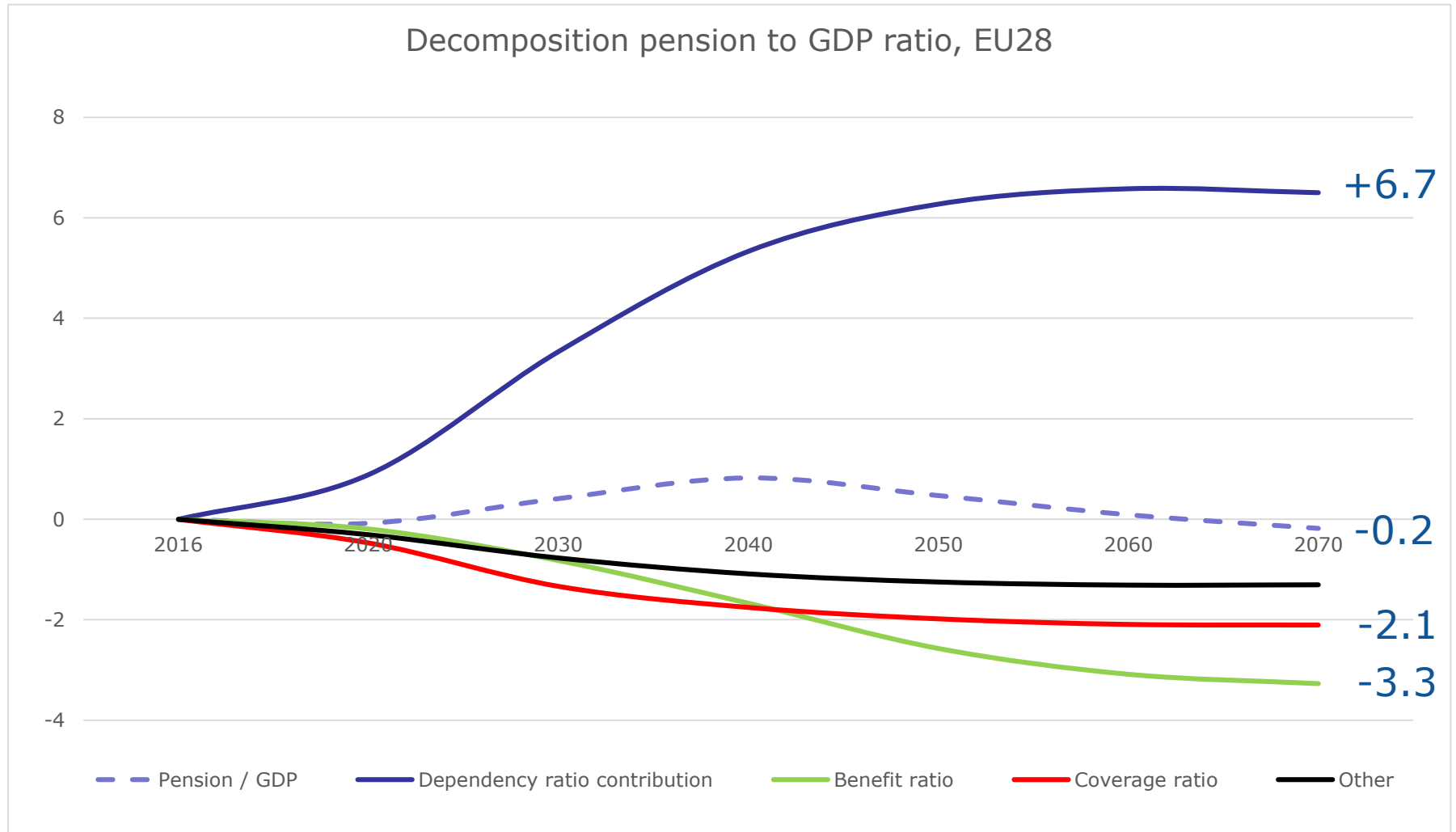


Automatic mechanisms in public pension system in the EU

Country	Automatic balancing mechanism	Sustainability factor (benefit link to life expectancy)	Retirement age linked to life expectancy	Legislated
Italy		X	X	1995 & 2010
Latvia		X		1996
Sweden	X	X		1998 & 2001
Poland		X		1999
France*		X		2003
Germany	X			2004
Finland		X	X	2005 & 2015
Portugal**		X	X	2007 & 2013
Greece***			X	2010
Denmark****			X	2011
Spain	X	X		2011 & 2013
Netherlands			X	2012
Cyprus			X	2012
Slovak Republic			X	2012
Lithuania	X			2016

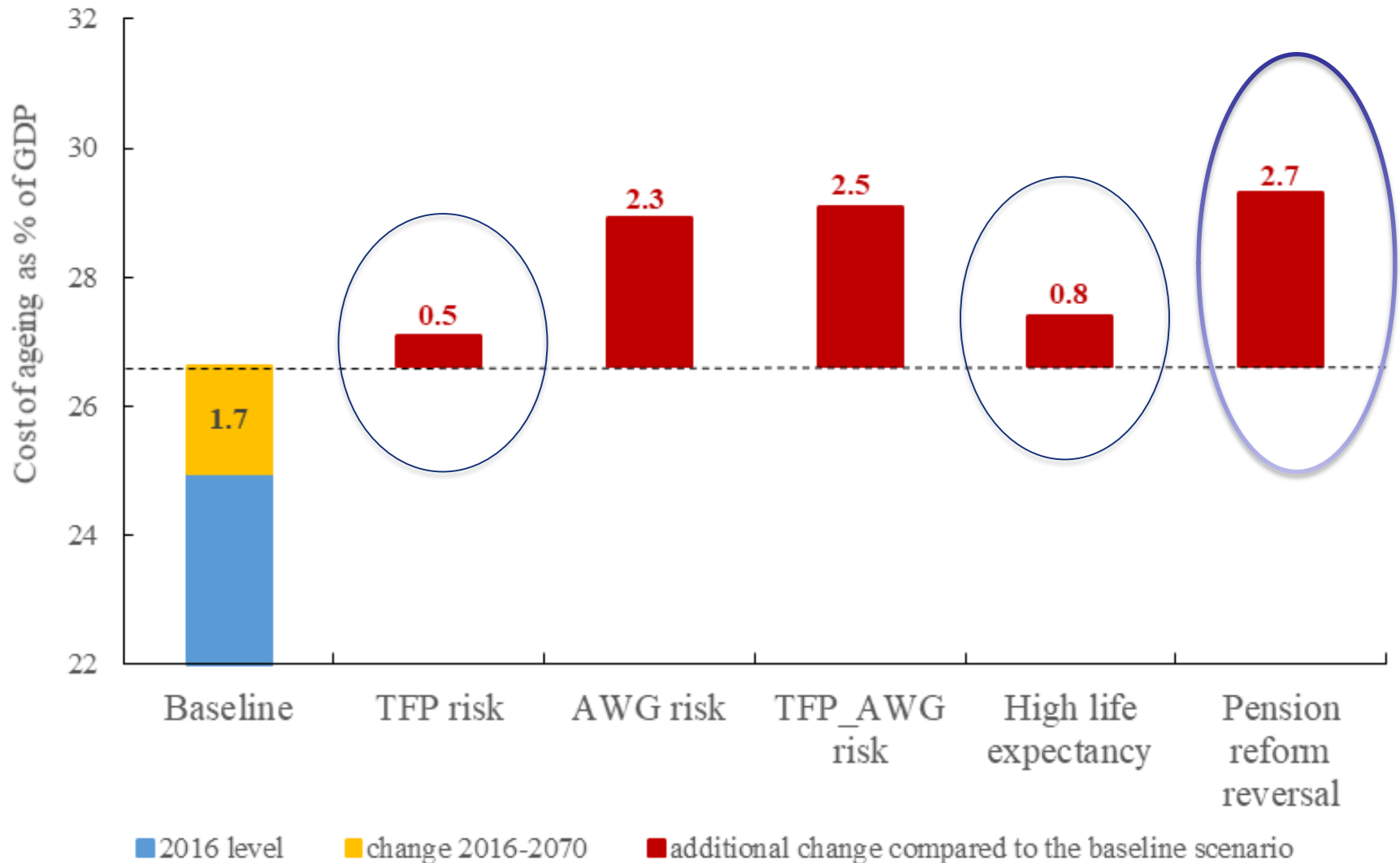
Pensions: huge ageing challenge

- policies work, but reform reversal risks are present

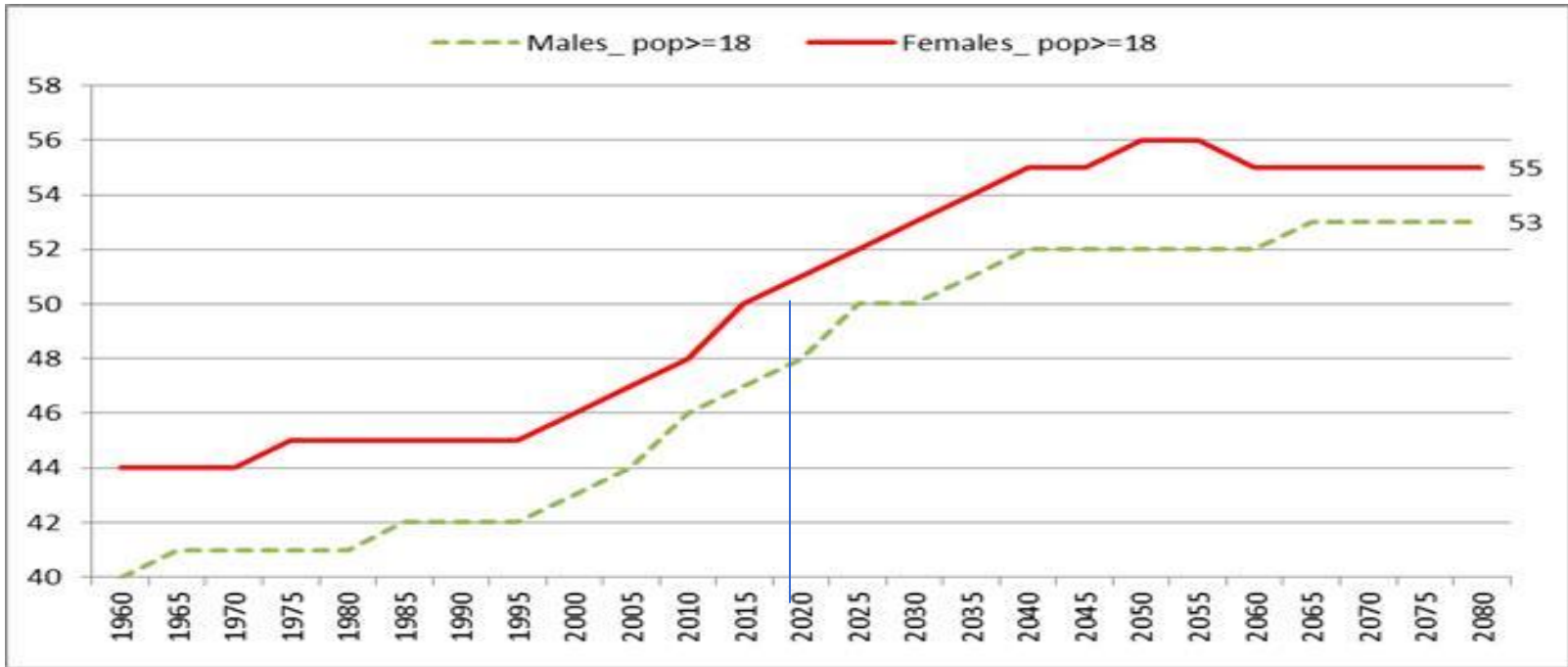


Towards a risk-based approach

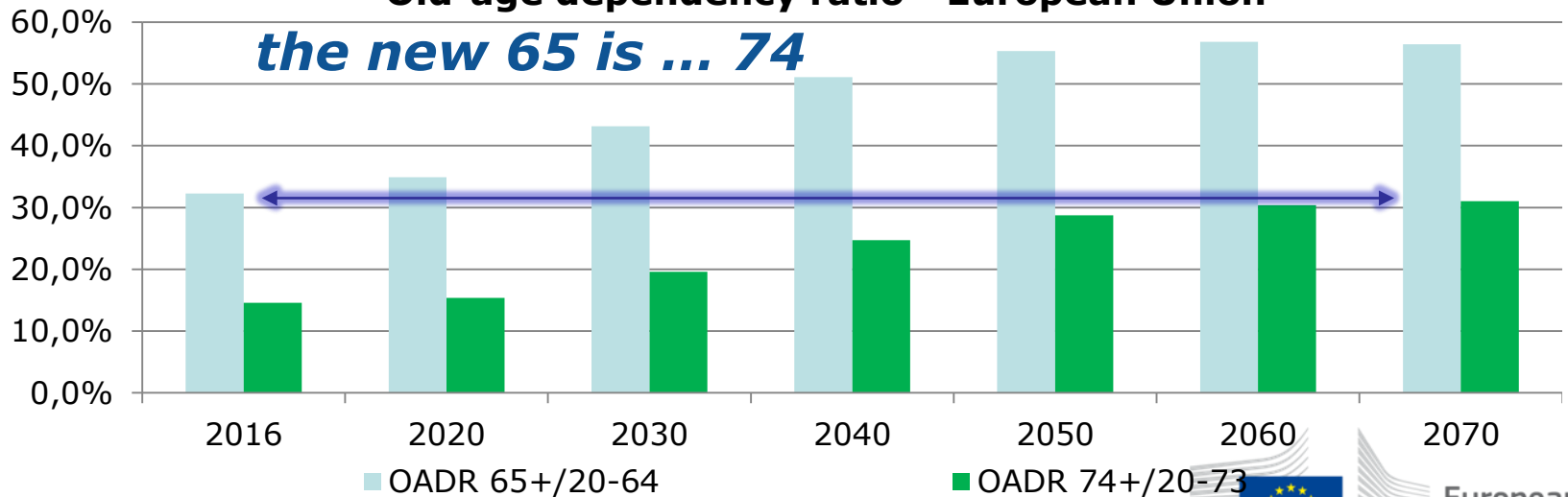
Total age-related expenditure for EU (% of GDP, change 2016-70)



A challenge is to change the view of what 'old' is



Old-age dependency ratio - European Union



■ OADR 65+/20-64

■ OADR 74+/20-73





Thank you for your attention!

Links

- [2018 Ageing Report: Economic and budgetary projections](#)
- [2018 Fiscal Sustainability Report](#)
- [Country pension fiches](#)
- [Pensref \(Pension Reform Database\)](#)
- [Horizontal assessment framework \(Discussion paper\)](#)
- [Pension Reforms in the EU since the Early 2000's: Achievements and Challenges Ahead \(Discussion paper\)](#)