

THE IMPORTANCE OF PRIVATE PENSION PROVISION ACROSS EUROPE AND THE PENSIONS GAP

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EIOPA REGULAR USE

KEY MESSAGES

1. Pensions in the EU are diverse. That includes in relation to the importance, and type, of private pension provision. Romania and other CEE countries are part of that diversity.
2. The pensions gap exists today. There are increasing demographic and other pressures on the sustainability of the pension systems. These challenges are particularly acute in the CEE region.



THE IMPORTANCE OF PRIVATE PENSION PROVISION ACROSS EUROPE



EU PENSIONS – A DIVERSE LANDSCAPE – OCCUPATIONAL VS PERSONAL

CEE countries (OECD data - %)	Occupational DB plans			Occupational DC plans			Personal plans		
	~ 2001	~ 2011	~ 2021	~ 2001	~ 2011	~ 2021	~ 2001	~ 2011	~ 2021
Czech Republic	x	x	x	x	x	x	100.0	100.0	100.0
Estonia	x	x	x	x	x	x	100.0	100.0	100.0
Hungary (1)	x	x	x	x	x	x	100.0	100.0	100.0
Latvia	x	x	x	..	2.8	1.1	..	97.2	98.9
Lithuania	x	x	x	x	x	x	100.0	100.0	100.0
Poland	x	x	x	0.1	1.5	11.4	99.9	98.5	88.6
Slovak Republic	x	x	x	x	x	x	100.0	100.0	100.0
Albania (2)	x	x	x	x	69.6	50.7	x	30.4	49.3
Bulgaria	x	x	x	0.0	0.1	0.1	100.0	99.9	99.9
Croatia	x	x	x	..	0.9	1.0	..	99.1	99.0
Romania (3)	x	x	x	x	x	x	x	100.0	100.0

EEA countries Non-CEE (OECD data - %)	Occupational DB plans			Occupational DC plans			Personal plans		
	~ 2001	~ 2011	~ 2021	~ 2001	~ 2011	~ 2021	~ 2001	~ 2011	~ 2021
Denmark	2.5	1.6	1.1	62.9	61.4	71.0	34.6	37.0	27.9
Finland (1)	..	89.1	92.5	..	0.4	0.0	..	10.6	7.5
France	..	28.0	22.6	..	63.6	67.2	..	8.4	10.2
Iceland	17.0	23.6	6.0	81.7	61.1	79.1	1.3	15.3	14.9
Italy	40.1	9.9	2.6	56.8	68.6	61.9	3.1	21.5	35.4
Portugal (2)	38.6	11.3	50.0
Spain	..	47.8	34.6	..	6.9	7.6	..	45.3	57.8
Switzerland	..	89.0	90.6	x	x	x	..	11.0	9.4
Liechtenstein	..	36.4	11.8	..	63.6	88.2	x	x	X
Malta (3)	x	x	x	x	..	0.8	x	..	99.2

Both tables from:
Pension Markets in Focus
2022

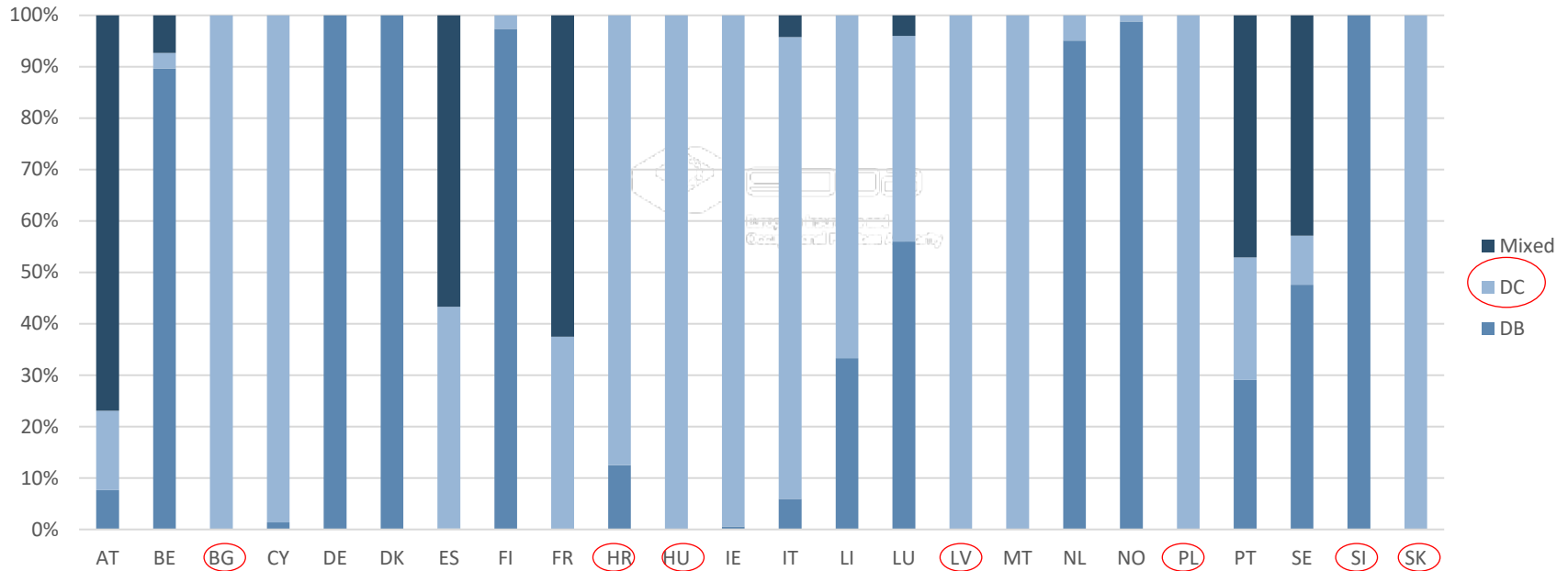
DIFFERENCES IN ROLE OF FUNDED PENSIONS

TA FPP CEE	~ 2021 % GDP
Croatia	33.2
Latvia	20.5
Estonia	16.8
Slovak Republic	15.9
Bulgaria	14.8
Lithuania	11.1
Czech Republic	9.4
Poland	8.9
Romania	7.8
Hungary	5.2
Greece	1.0

TA FPP EEA Non-CEE	~ 2021 % GDP
Denmark	233.2
Iceland	218.6
Netherlands	213.3
Switzerland	170.9
Liechtenstein	121.0
Sweden	117.0
Finland	69.2
Malta	54.2
Belgium	39.9
Ireland	36.3
Portugal	22.0
Spain	14.3
Italy	12.7
France	12.1
Norway	11.0
Germany	8.0
Slovenia	7.8
Austria	6.7
Luxembourg	2.6

Source: **TA FPP – Total Assets
Funded Pension Plans**

EU PENSIONS – A DIVERSE LANDSCAPE – DEFINED BENEFIT VS DEFINED CONTRIBUTION



PUBLIC EXPENDITURE ON PENSIONS VARIES

	Level (% of total government spending)	
	2000	2017
Czech Republic	16.8	19.8
Estonia	16.5	16.5
France	22.2	24.2
Germany	22.8	23.0
Greece	21.9	32.6
Hungary	15.7	18.2
Italy	28.9	32.1
Latvia	23.3	17.5
Lithuania	17.9	18.7
Netherlands	11.0	12.2
Poland	24.9	25.6
Slovakia	11.8	17.6
Slovenia	21.8	23.6
UK	13.4	13.7
OECD	16.6	18.4

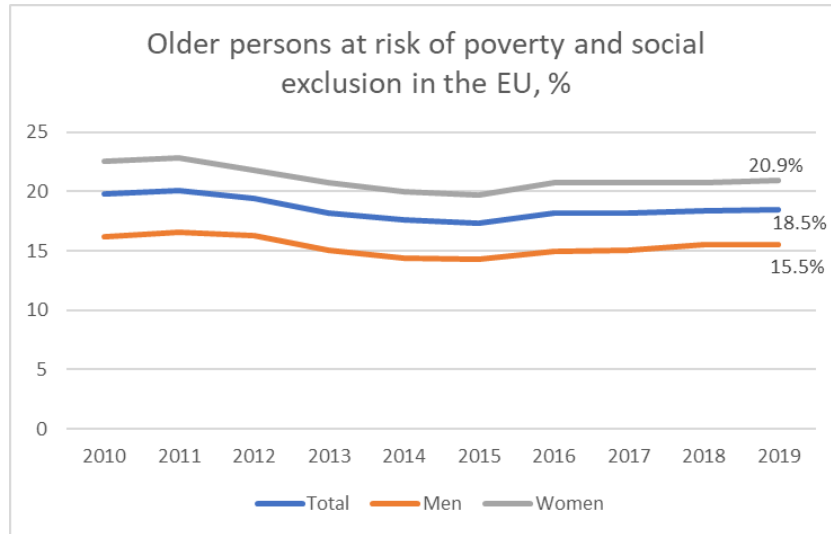
Source: OECD Pensions at a Glance 2021, Table 8.3, Public expenditure on old-age and survivors benefits

PENSIONS GAP



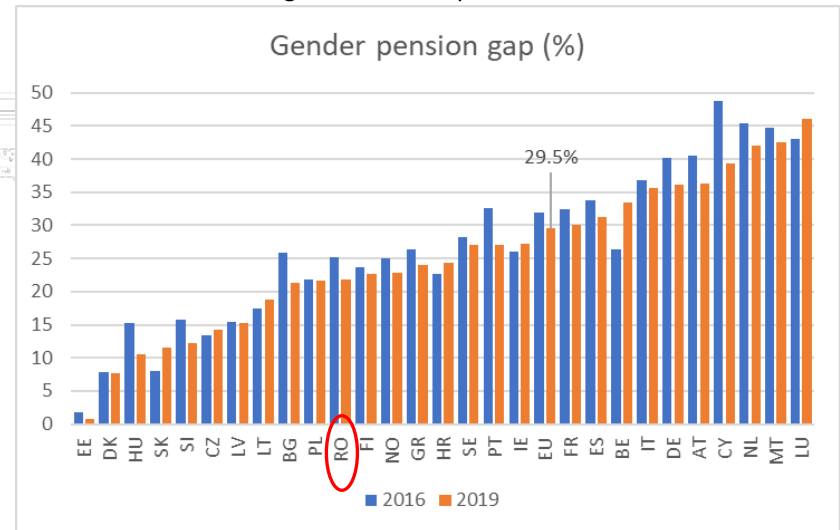
CURRENT PENSION GAPS

- 18.5% of pensioners – 16.1 million persons – are at risk of poverty and social exclusion in the EU
- This risk of poverty is almost 35% higher for women than for men



Source: COM Pension Adequacy Report

- Gender pension gap – or percentage difference in the average pension received by men and women – amounts to 29.5%
- Other gaps relevant to pensions can be identified e.g. in relation to information, regulation and supervision



Source: COM Pension Adequacy Report

DEMOGRAPHIC CHALLENGES

Old-age-dependency ratio 20-64

CEE	2019	2040	2050	2060	2070
BG	36.0	50.2	60.5	66.2	60.8
CZ	33.0	45.2	54.8	59.2	53.7
EE	33.8	46.1	53.8	61.5	59.4
GR	37.9	57.8	68.2	67.3	65.2
HR	34.8	50.4	57.2	61.5	64.6
LV	34.6	53.8	62.3	69.5	63.6
LT	32.9	55.9	61.5	68.4	66.0
HU	32.2	43.5	52.0	57.0	57.4
PL	29.0	43.9	57.0	68.2	67.8
RO	31.1	48.9	59.8	64.3	62.1
SK	25.9	43.1	56.5	66.3	63.1
CEE Av.	32.8	49.0	58.5	64.5	62.2
EU	34.4	51.4	56.9	59.2	59.2

Old-age-dependency ratio 20-64

EEA / Non-CEE	2019	2040	2050	2060	2070
BE	32.5	46.0	49.2	51.8	53.3
DK	34.1	47.4	47.9	51.2	53.8
DE	36.1	52.2	52.8	54.3	54.6
IE	24.2	37.4	46.5	50.0	53.0
ES	32.1	54.0	64.7	64.1	62.5
FR	36.5	51.7	54.8	55.9	56.9
IT	38.9	61.4	66.5	65.5	65.6
CY	26.2	35.6	38.8	45.3	50.7
LU	22.6	37.8	45.5	52.8	56.1
MT	29.7	36.4	43.5	56.5	62.4
NL	32.9	49.3	49.3	51.4	55.2
AT	30.7	48.2	51.5	54.8	55.9
PT	37.3	59.6	68.8	67.9	67.3
SI	33.2	51.0	59.9	61.7	58.8
FI	38.9	48.4	52.3	58.2	62.5
SE	35.2	41.2	43.0	48.4	49.8
NO	29.4	41.3	44.1	48.5	52.4
EEA / Non-CEE Av.	32.4	47.0	51.7	55.2	57.1
EU	34.4	51.4	56.9	59.2	59.2

WILL PUBLIC PENSIONS COME TO THE RESCUE?

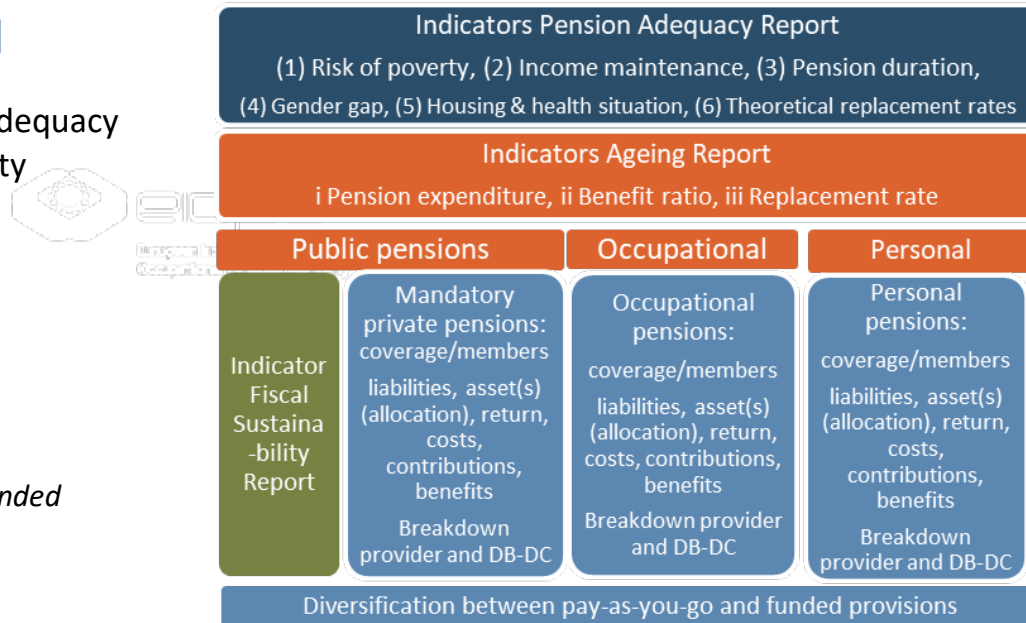
Gross replacement rate at retirement (old-age earnings-related public pensions, %)			
	2019	2070	Change 2019-2070
Czech Republic	45.1	42.9	-2.2
Estonia	39.8	25.8	-13.9
France	54.4	34.7	-19.7
Germany	39.8	37.2	-2.6
Greece	69.0	56.2	-12.8
Hungary	44.8	48.2	3.3
Italy	66.9	51.5	-15.4
Latvia	54.8	20.0	-34.7
Lithuania	31.7	21.2	-10.4
Netherlands	30.9	29.2	-1.6
Poland	54.1	25.1	-28.9
Slovakia	41.6	43.2	1.6
Slovenia	33.2	37.5	4.3
EU	46.2	37.5	-8.7

Source: The 2021 Ageing Report. Economic and Budgetary Projections for the EU Member States (2019-2070) ([europa.eu](https://european-council.europa.eu/media/e0001000/1/20210608_en01_en02_en03_en04_en05_en06_en07_en08_en09_en10_en11_en12_en13_en14_en15_en16_en17_en18_en19_en20_en21_en22_en23_en24_en25_en26_en27_en28_en29_en30_en31_en32_en33_en34_en35_en36_en37_en38_en39_en40_en41_en42_en43_en44_en45_en46_en47_en48_en49_en50_en51_en52_en53_en54_en55_en56_en57_en58_en59_en60_en61_en62_en63_en64_en65_en66_en67_en68_en69_en70_en71_en72_en73_en74_en75_en76_en77_en78_en79_en80_en81_en82_en83_en84_en85_en86_en87_en88_en89_en90_en91_en92_en93_en94_en95_en96_en97_en98_en99_en100_en101_en102_en103_en104_en105_en106_en107_en108_en109_en110_en111_en112_en113_en114_en115_en116_en117_en118_en119_en120_en121_en122_en123_en124_en125_en126_en127_en128_en129_en130_en131_en132_en133_en134_en135_en136_en137_en138_en139_en140_en141_en142_en143_en144_en145_en146_en147_en148_en149_en150_en151_en152_en153_en154_en155_en156_en157_en158_en159_en160_en161_en162_en163_en164_en165_en166_en167_en168_en169_en170_en171_en172_en173_en174_en175_en176_en177_en178_en179_en180_en181_en182_en183_en184_en185_en186_en187_en188_en189_en190_en191_en192_en193_en194_en195_en196_en197_en198_en199_en200_en201_en202_en203_en204_en205_en206_en207_en208_en209_en210_en211_en212_en213_en214_en215_en216_en217_en218_en219_en220_en221_en222_en223_en224_en225_en226_en227_en228_en229_en230_en231_en232_en233_en234_en235_en236_en237_en238_en239_en240_en241_en242_en243_en244_en245_en246_en247_en248_en249_en250_en251_en252_en253_en254_en255_en256_en257_en258_en259_en260_en261_en262_en263_en264_en265_en266_en267_en268_en269_en270_en271_en272_en273_en274_en275_en276_en277_en278_en279_en280_en281_en282_en283_en284_en285_en286_en287_en288_en289_en290_en291_en292_en293_en294_en295_en296_en297_en298_en299_en300_en301_en302_en303_en304_en305_en306_en307_en308_en309_en310_en311_en312_en313_en314_en315_en316_en317_en318_en319_en320_en321_en322_en323_en324_en325_en326_en327_en328_en329_en330_en331_en332_en333_en334_en335_en336_en337_en338_en339_en340_en341_en342_en343_en344_en345_en346_en347_en348_en349_en350_en351_en352_en353_en354_en355_en356_en357_en358_en359_en360_en361_en362_en363_en364_en365_en366_en367_en368_en369_en370_en371_en372_en373_en374_en375_en376_en377_en378_en379_en380_en381_en382_en383_en384_en385_en386_en387_en388_en389_en390_en391_en392_en393_en394_en395_en396_en397_en398_en399_en400_en401_en402_en403_en404_en405_en406_en407_en408_en409_en410_en411_en412_en413_en414_en415_en416_en417_en418_en419_en420_en421_en422_en423_en424_en425_en426_en427_en428_en429_en430_en431_en432_en433_en434_en435_en436_en437_en438_en439_en440_en441_en442_en443_en444_en445_en446_en447_en448_en449_en450_en451_en452_en453_en454_en455_en456_en457_en458_en459_en460_en461_en462_en463_en464_en465_en466_en467_en468_en469_en470_en471_en472_en473_en474_en475_en476_en477_en478_en479_en480_en481_en482_en483_en484_en485_en486_en487_en488_en489_en490_en491_en492_en493_en494_en495_en496_en497_en498_en499_en500_en501_en502_en503_en504_en505_en506_en507_en508_en509_en510_en511_en512_en513_en514_en515_en516_en517_en518_en519_en520_en521_en522_en523_en524_en525_en526_en527_en528_en529_en530_en531_en532_en533_en534_en535_en536_en537_en538_en539_en540_en541_en542_en543_en544_en545_en546_en547_en548_en549_en550_en551_en552_en553_en554_en555_en556_en557_en558_en559_en560_en561_en562_en563_en564_en565_en566_en567_en568_en569_en570_en571_en572_en573_en574_en575_en576_en577_en578_en579_en580_en581_en582_en583_en584_en585_en586_en587_en588_en589_en590_en591_en592_en593_en594_en595_en596_en597_en598_en599_en600_en601_en602_en603_en604_en605_en606_en607_en608_en609_en610_en611_en612_en613_en614_en615_en616_en617_en618_en619_en620_en621_en622_en623_en624_en625_en626_en627_en628_en629_en630_en631_en632_en633_en634_en635_en636_en637_en638_en639_en640_en641_en642_en643_en644_en645_en646_en647_en648_en649_en650_en651_en652_en653_en654_en655_en656_en657_en658_en659_en660_en661_en662_en663_en664_en665_en666_en667_en668_en669_en670_en671_en672_en673_en674_en675_en676_en677_en678_en679_en680_en681_en682_en683_en684_en685_en686_en687_en688_en689_en690_en691_en692_en693_en694_en695_en696_en697_en698_en699_en700_en701_en702_en703_en704_en705_en706_en707_en708_en709_en710_en711_en712_en713_en714_en715_en716_en717_en718_en719_en720_en721_en722_en723_en724_en725_en726_en727_en728_en729_en730_en731_en732_en733_en734_en735_en736_en737_en738_en739_en740_en741_en742_en743_en744_en745_en746_en747_en748_en749_en750_en751_en752_en753_en754_en755_en756_en757_en758_en759_en760_en761_en762_en763_en764_en765_en766_en767_en768_en769_en770_en771_en772_en773_en774_en775_en776_en777_en778_en779_en780_en781_en782_en783_en784_en785_en786_en787_en788_en789_en790_en791_en792_en793_en794_en795_en796_en797_en798_en799_en800_en801_en802_en803_en804_en805_en806_en807_en808_en809_en810_en811_en812_en813_en814_en815_en816_en817_en818_en819_en820_en821_en822_en823_en824_en825_en826_en827_en828_en829_en830_en831_en832_en833_en834_en835_en836_en837_en8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WHAT HAS EIOPA BEEN DOING: PENSIONS DASHBOARD

■ Advice on pensions dashboard

- Build on what already exists e.g. Pension Adequacy Reports, Ageing Reports, Fiscal Sustainability Report
- Additional indicators
 - *Coverage rates*
 - *Financial variables for funded pensions*
 - *Diversification between pay-as-you-go and funded pension provision*





THANK YOU!

For more information visit:
<https://www.eiopa.europa.eu>