

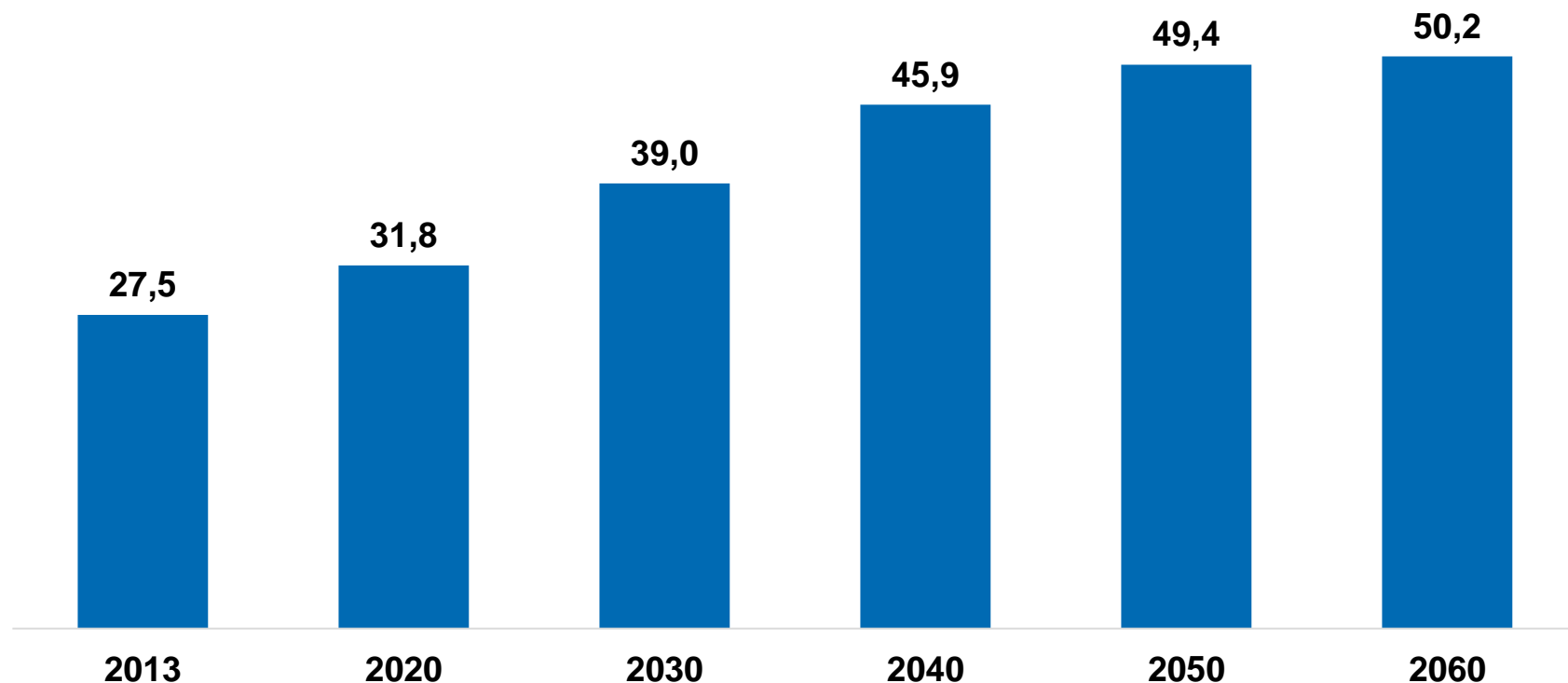


# Live Long and Prosper? Demographic Change and Europe's Pensions Crisis

**Dr. Jochen Pimpertz**

**Brussels, 10 November 2015**

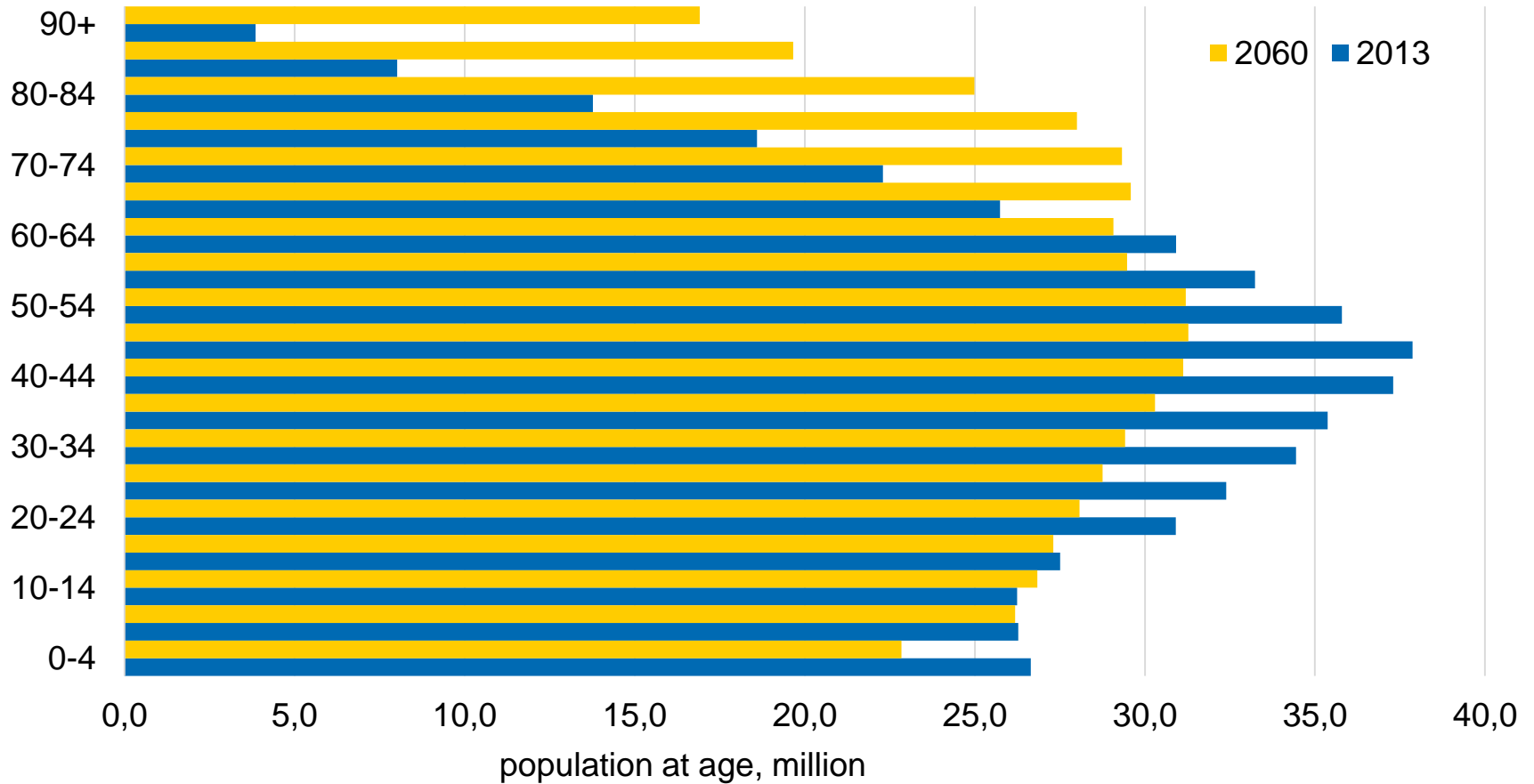
# Old-age-dependency ratio, EU28



Note: Ratio of people aged 65 and older relative to people aged 15 to 64.

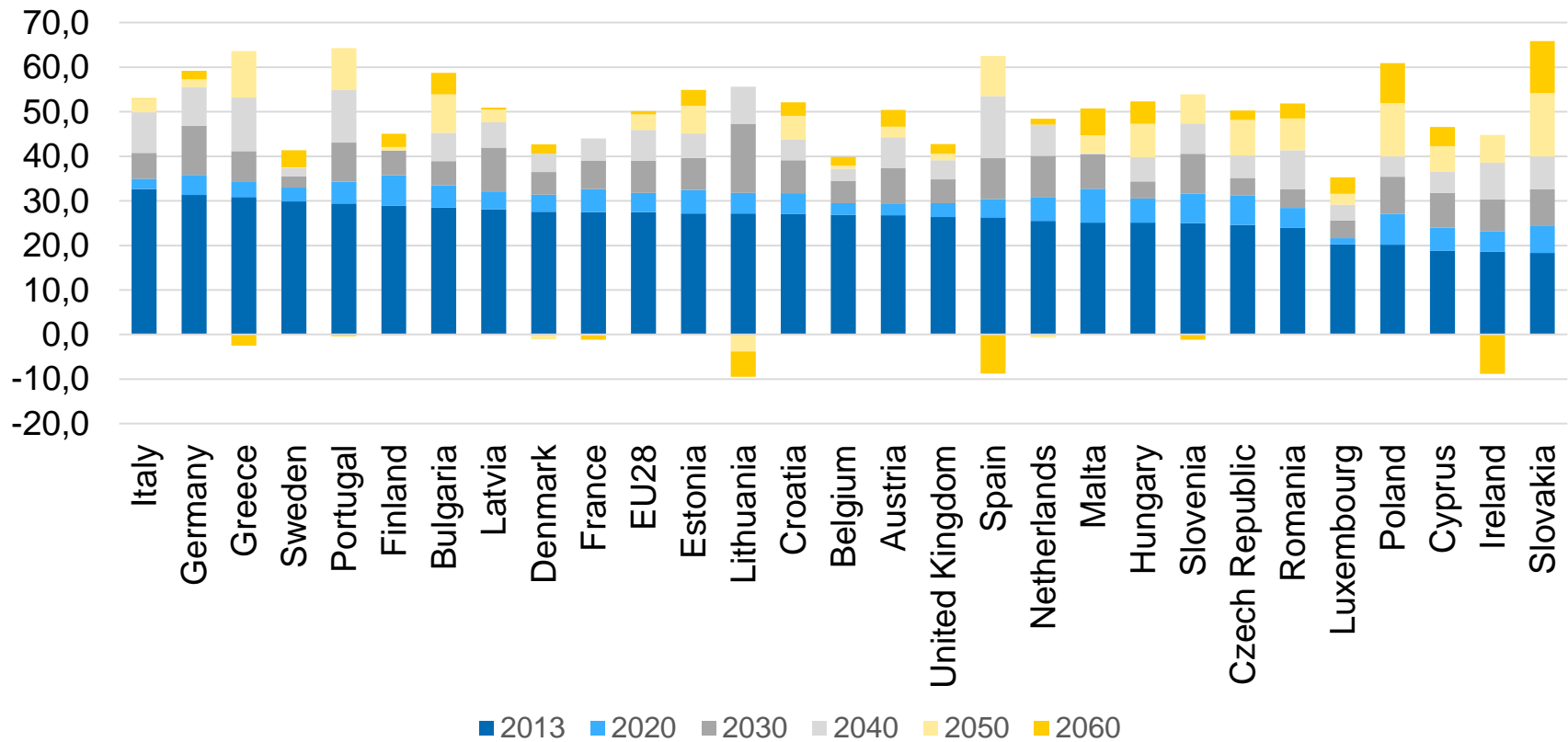
Source: Eurostat

# Ageing of numerical strong cohorts, EU28



Source: Eurostat

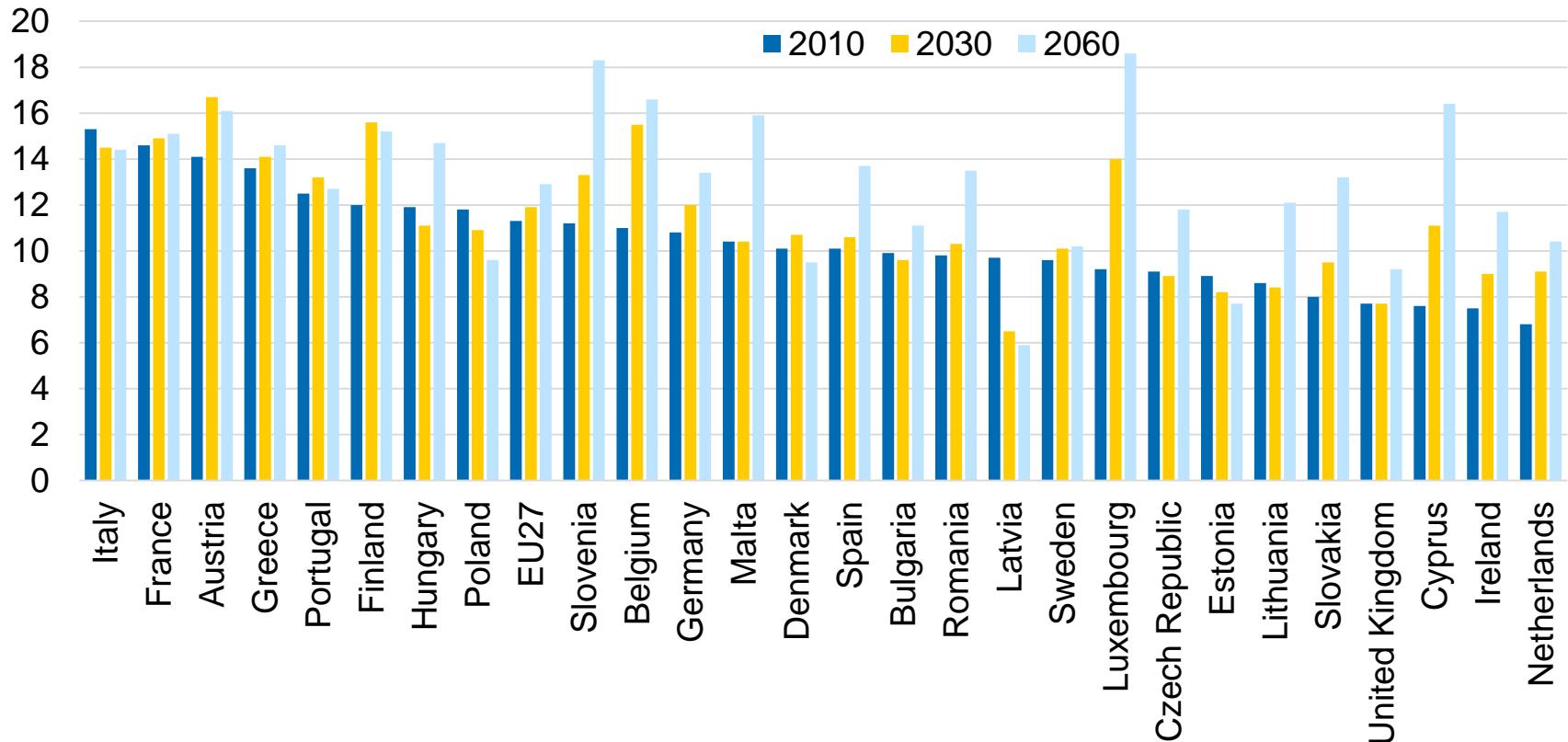
# Projected old-age-dependency ratio



Note: Projected number of persons aged 65 and over expressed as a percentage of the projected number of persons aged 15 to 64.

Source: Eurostat (EUROPOP2010)

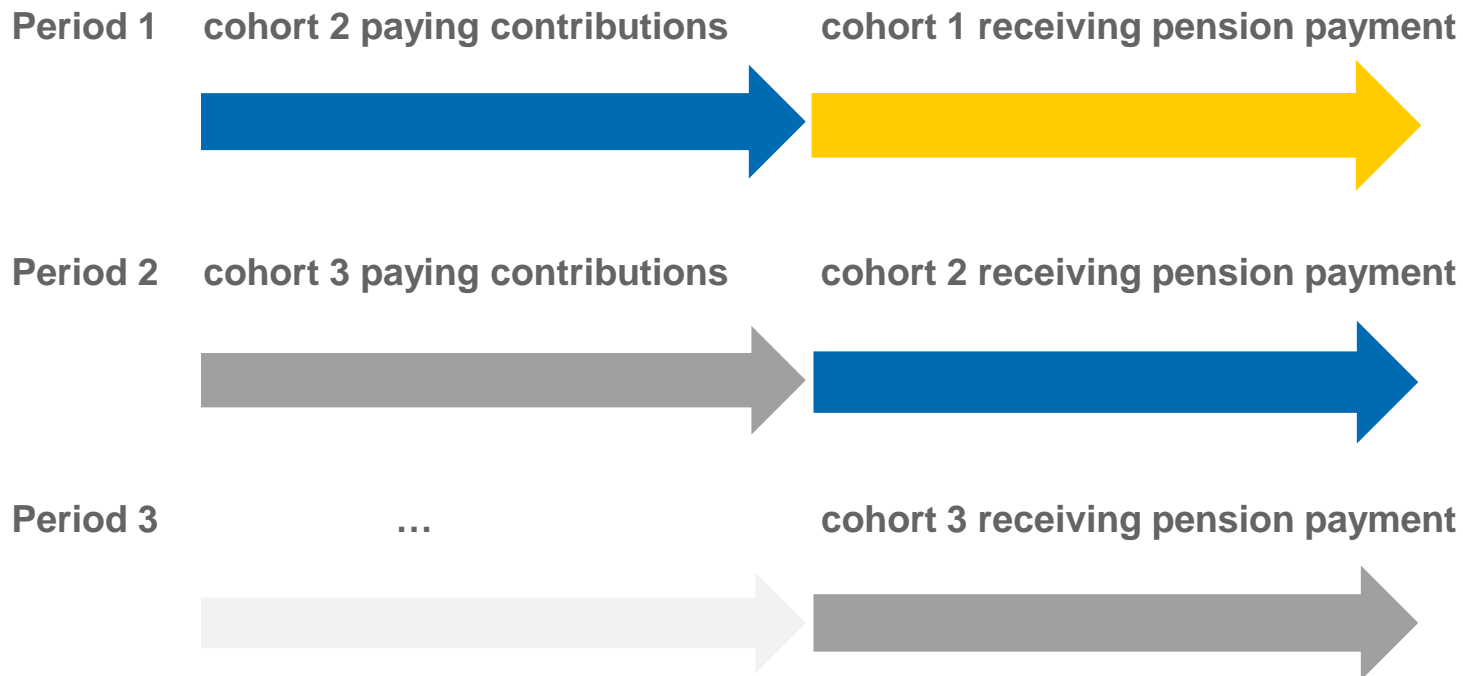
# Projection of pension expenditure as a percentage of GDP, 2013-2060 (EU Ageing Report 2012)



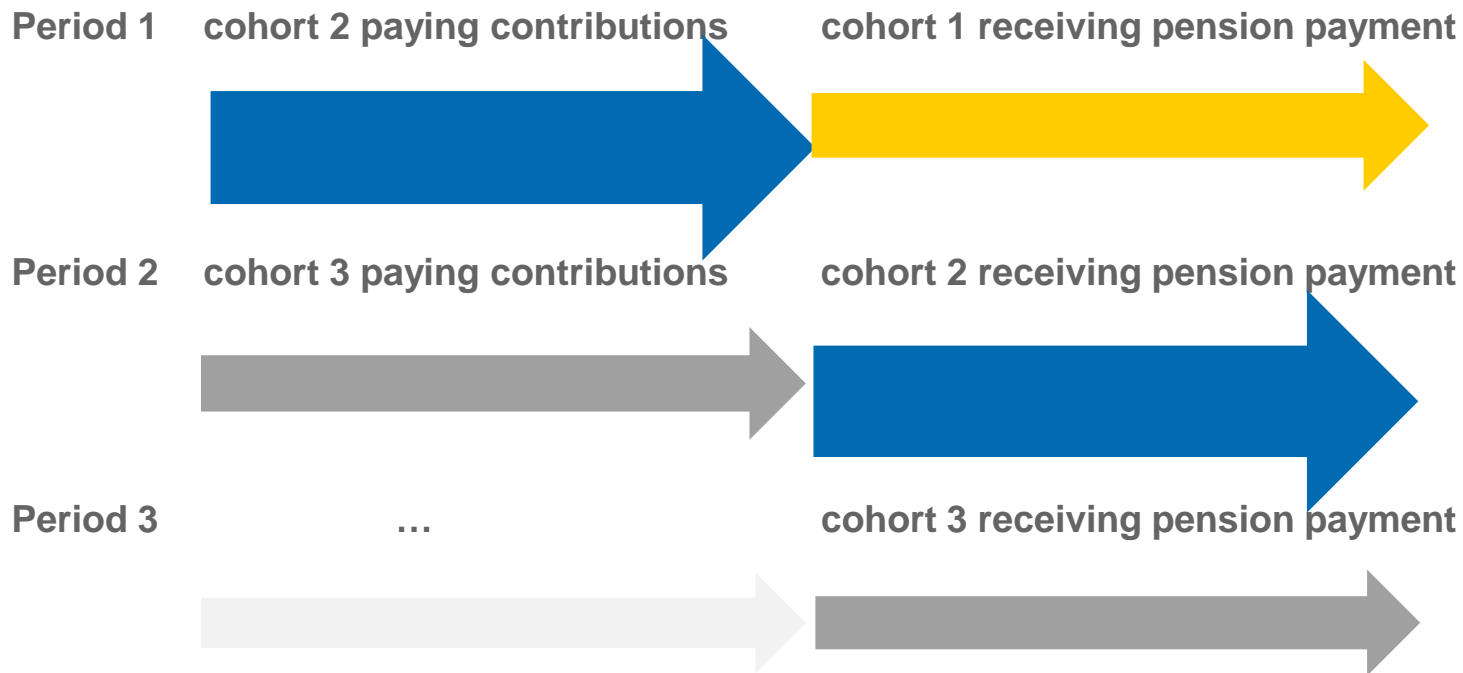
Note: Pension Expenditure Projection (Baseline Scenario), last update 13 April 2015.

Source: Eurostat (Pension Expenditure Projection, Basline Scenario, last update: 13 April 2015)

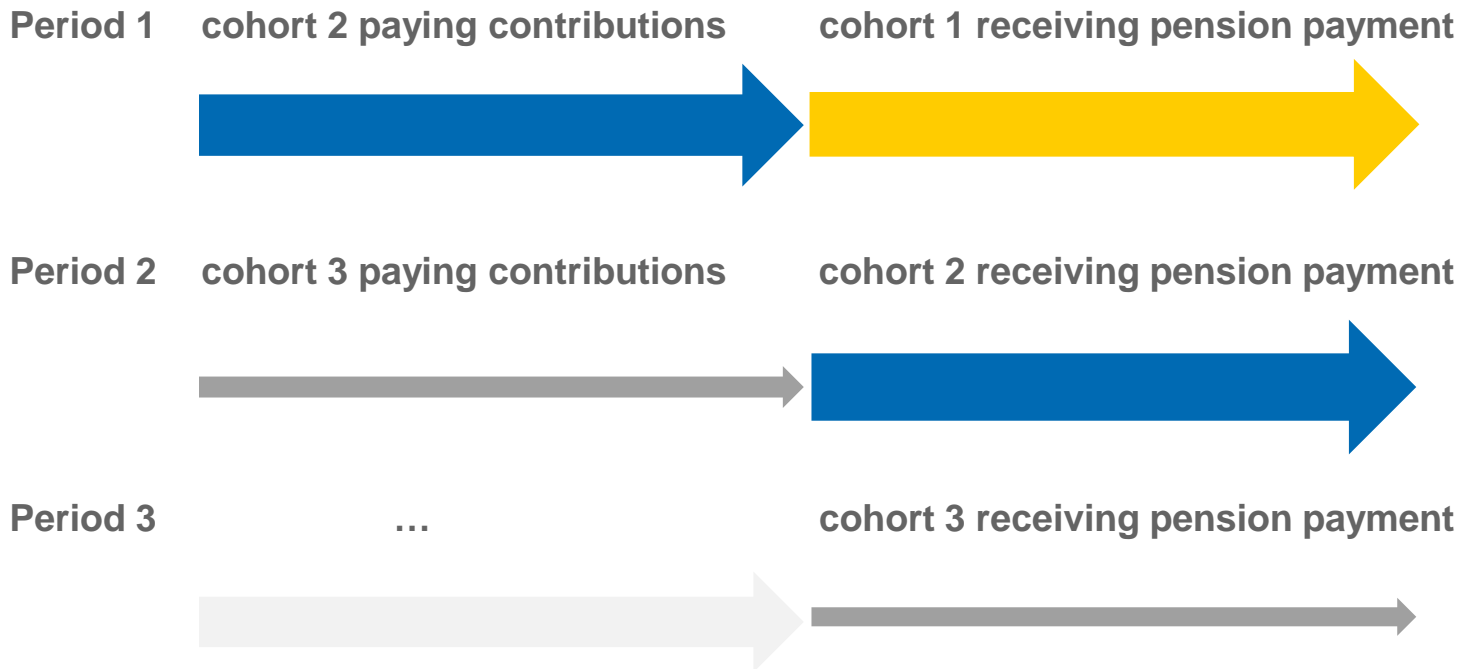
# Pay-as-you-go pension scheme



# PAYG Ageing of numerical strong cohorts

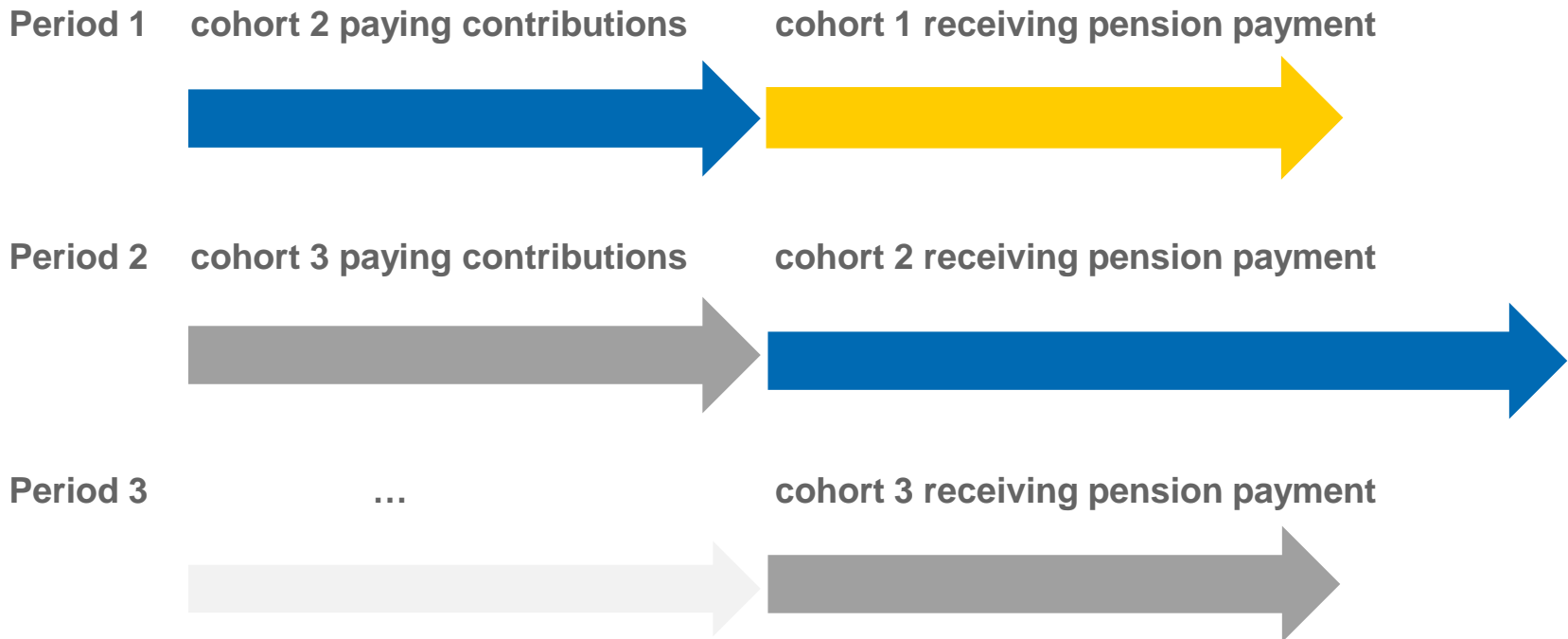


# PAYG Low fertility rate

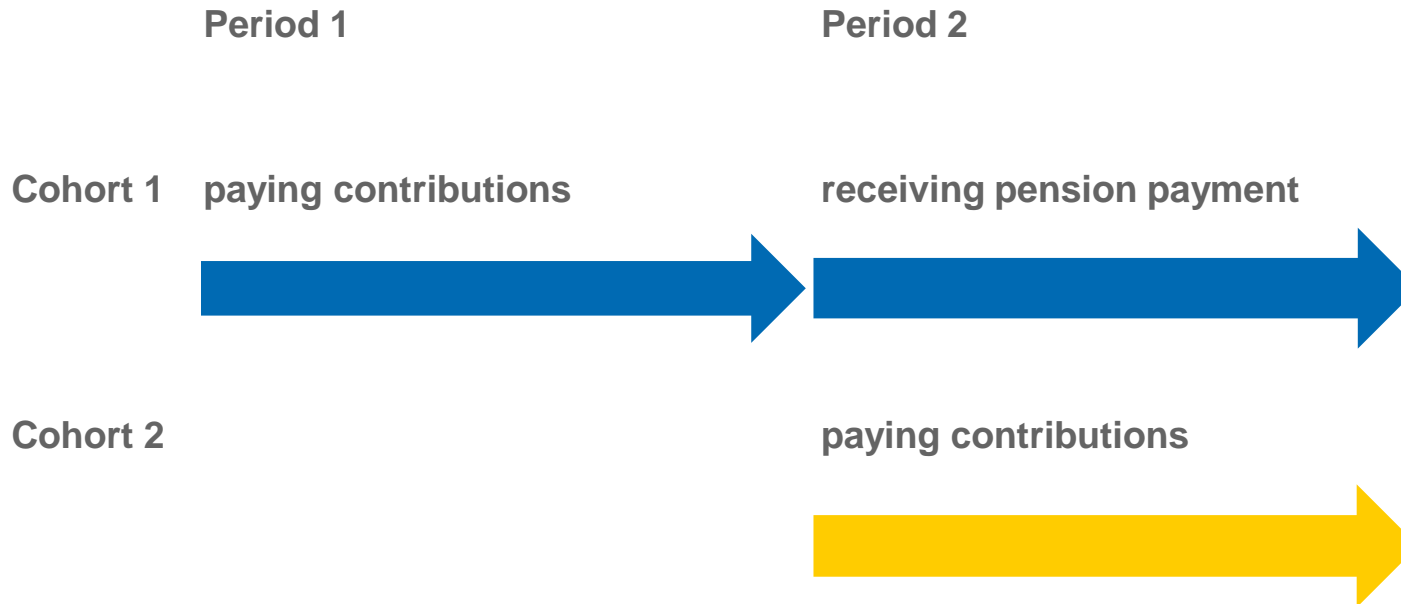




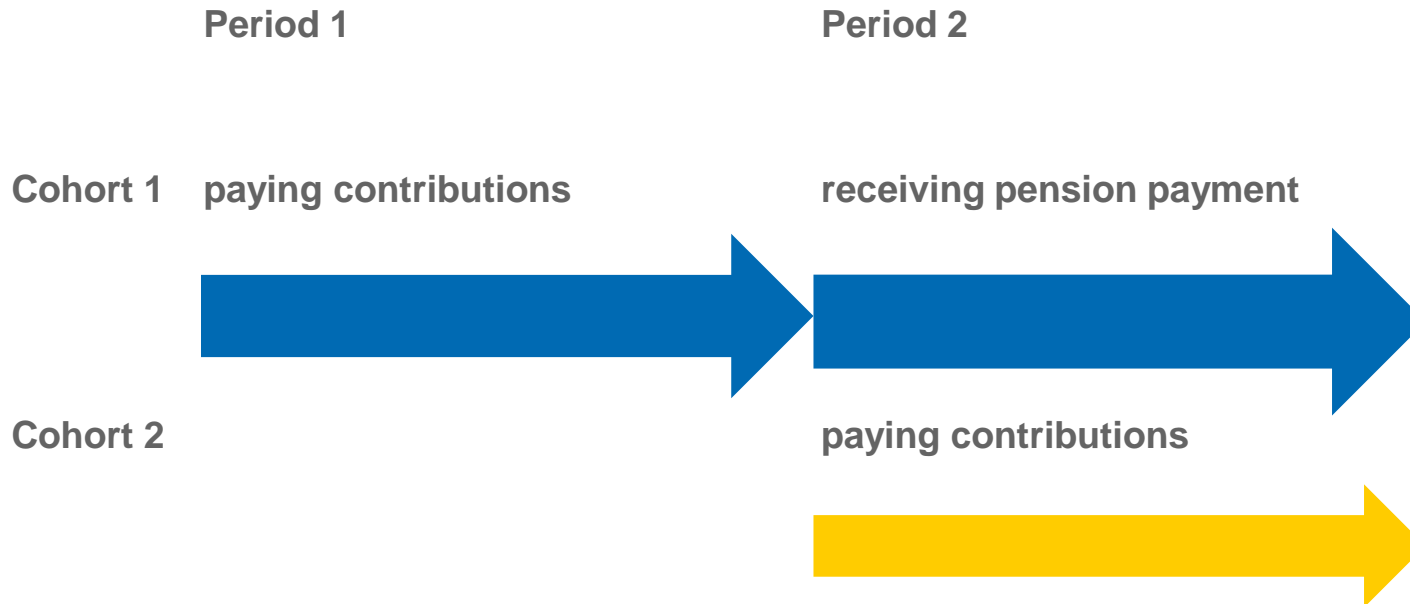
# PAYG Rising life expectancy



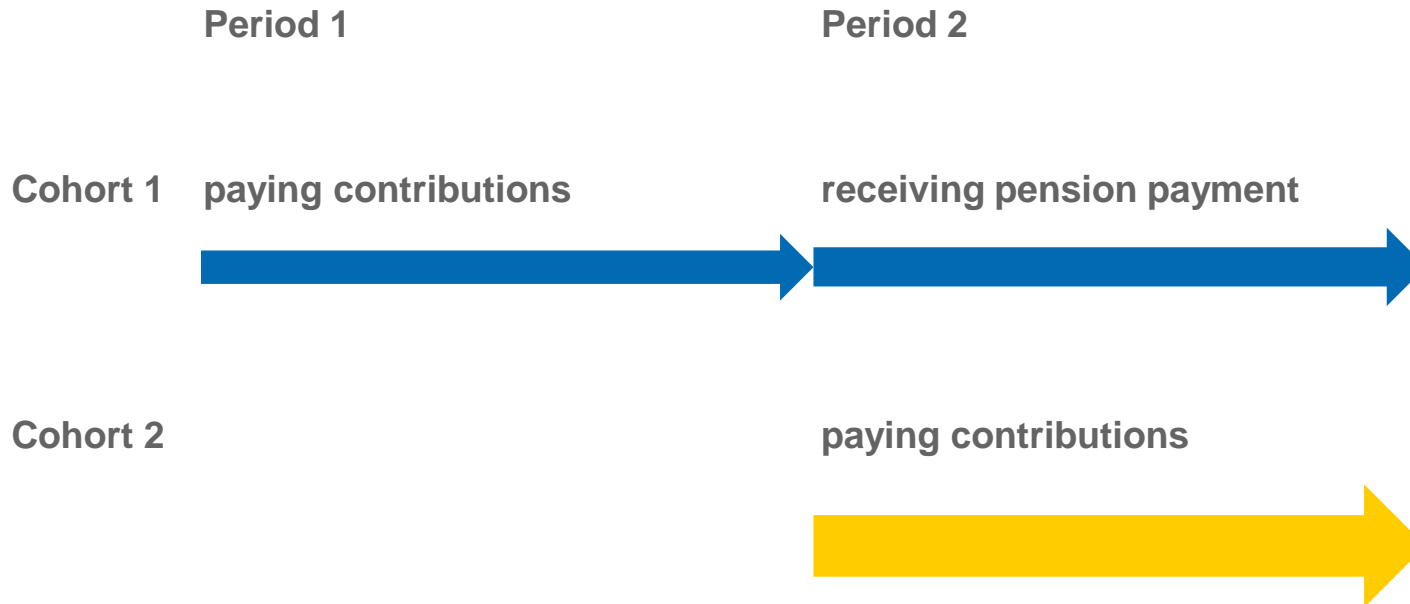
# Capital funded pension scheme



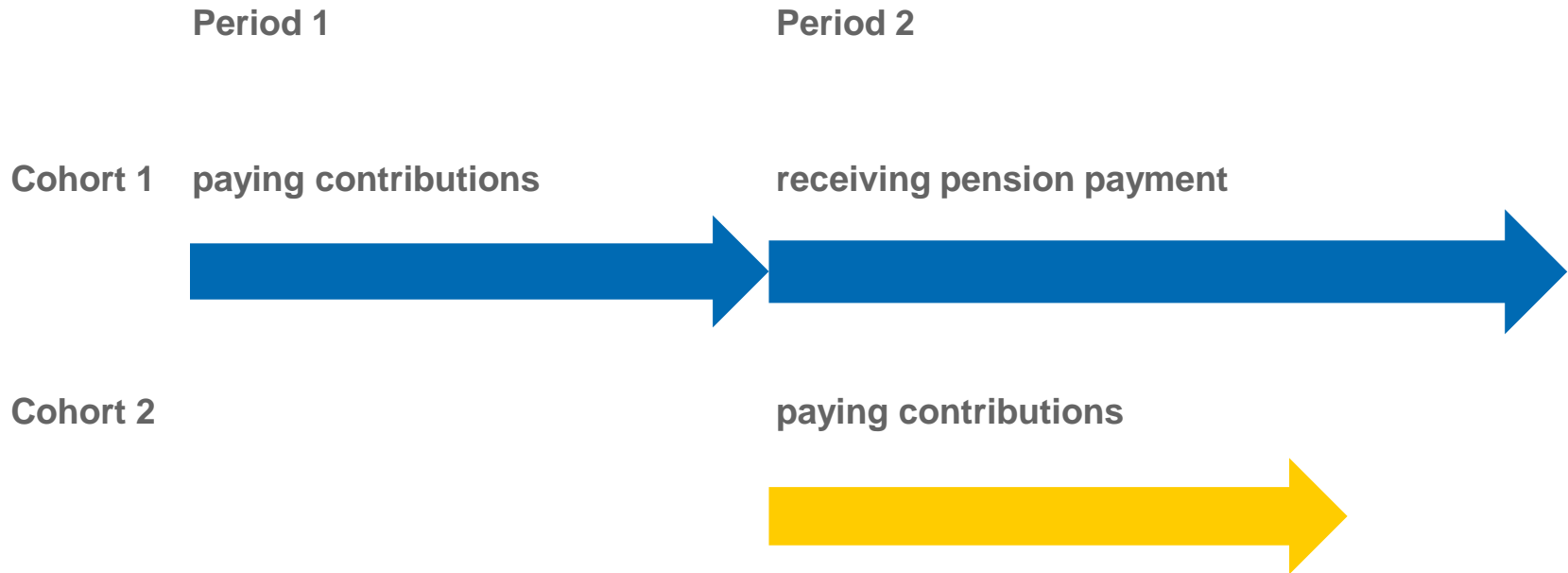
# CF Ageing of numerical strong cohorts



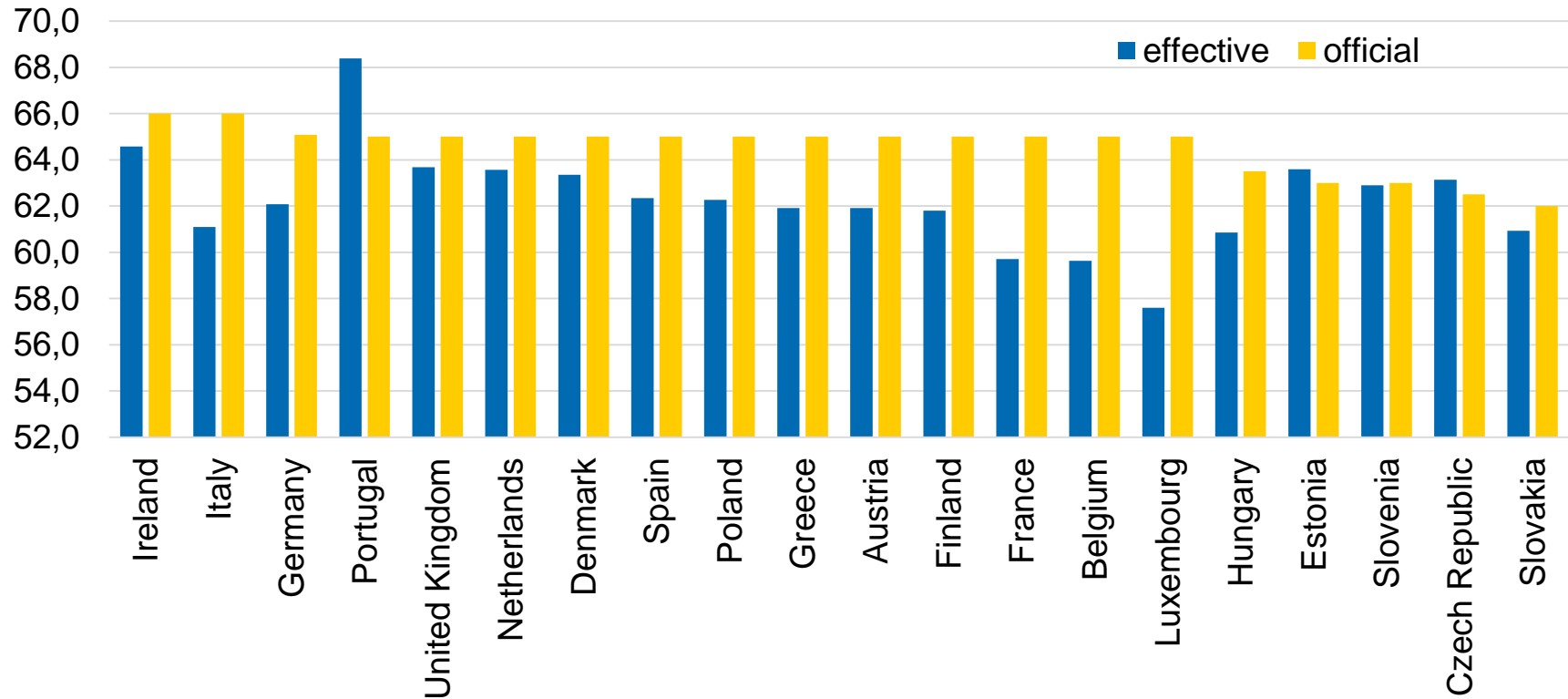
# CF Low fertility rate



# CF Rising life expectancy



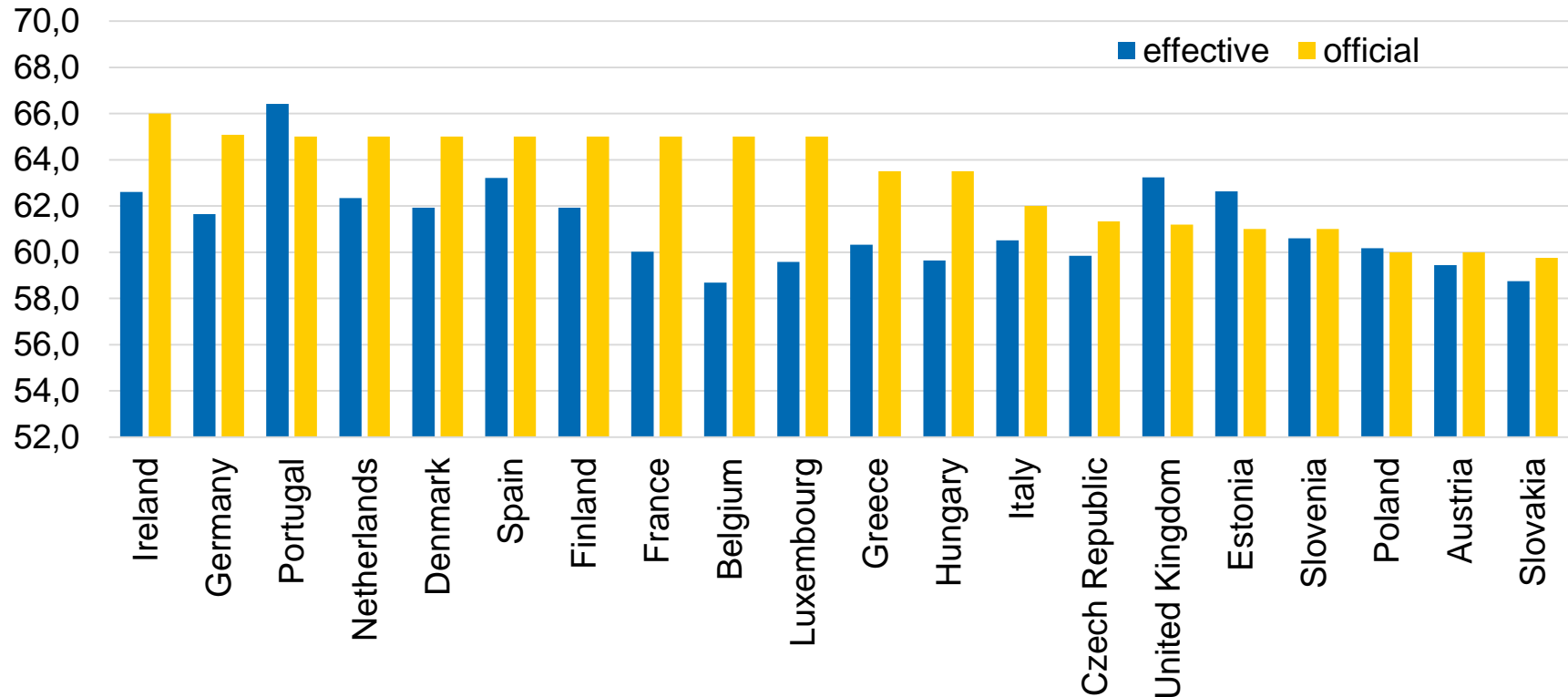
# Official and effective retirement age, men



Note: EU member states that are OECD countries; average effective age of labour market exit and normal statutory retirement age.

Source: OECD (Pension at a Glance, 2013)





# Official and effective retirement age, women



Note: EU member states that are OECD countries; average effective age of labour market exit and normal statutory retirement age.

Source: OECD (Pension at a Glance, 2013)

## Different reform paths ...

-  **quasi-mandatory occupational pension scheme**
-  **voluntary occupational and private pension schemes**
-  **notional defined contribution scheme**
-  **automatic enrolment in occupational pension scheme**



# Policy recommendations



## nation specific

- within three pillars
- national preferences
- gradual but innovative



EU

- monitoring
- evaluation
- simulation
- single market



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