



Overview of asset-backed pension systems

Coverage of the OECD Global Pension Statistics exercise

The compilation of metadata relating to pension statistics is an essential part of the Global Pension Statistics project. Metadata allow for a better knowledge and understanding of the coverage of the OECD Global Pension Statistics (GPS) database, its completeness and limits.

This file describes the different types of asset-backed pension plans in each country. It provides the statistical data coverage of the GPS exercise and a detailed description of the various asset-backed pension plans by country. Information in this file is collected from national sources, which are usually Pension Authorities, National Statistical Offices, Central Banks and/or Ministries of Finance. Information in this document refers to December 2022 or to the latest year available.

This file reports the financing vehicle and the type of each plan under “Type of fund” and “Type of plan” respectively, following the OECD taxonomy. For more information on the OECD classification and taxonomy, see the *OECD Private Pensions: OECD Classification and Glossary*, available at www.oecd.org/dataoecd/0/49/38356329.pdf.

This file also compiles standardised information on some of the main features of pension plans, such as:

- whether the access to the plan can be linked to employment or professional activity (Yes/No);
- whether the employer can or has to contribute (Yes/No);
- whether the employer provides access to the (default) plan (Yes/No);
- whether the employer / social partners establish the plan (Yes/No);
- the benefit calculation: by reference to a formula based on the number of years of service and the salary, or by reference to the contributions paid and return achieved with those contributions;
- the type of guarantee: benefit level, annuity purchase price, capital guarantee, fixed return, absolute minimum return, relative minimum return, none (there can be a combination of several types of guarantee);
- the sharing of some risks (e.g. investment risk, interest rate risk, longevity risk) between: plan sponsor, and/or active members, and/or deferred members, and/or pensioners -- there may however be no risk sharing at all;
- the guarantor: plan sponsor (i.e. the employer), the pension fund, an insurance company, or none.

More information on the OECD GPS project can be found at: <http://www.oecd.org/daf/pensions/gps>.

Further readings: *OECD Pension Markets in Focus*, available online at the following link: <http://www.oecd.org/daf/pensions/pensionmarkets>.

COUNTRY	"X" means data exists in GPS	ADMINISTRATIVE NATIONAL SPECIFICATIONS			OECD CLASSIFICATION				CHARACTERISTICS OF THE PLAN/FUND							
		SOURCE	CATEGORY	DESCRIPTION	TYPE OF FUND (Pension fund / Book reserves / Pension insurance contract / Bank managed fund / Investment company managed fund)	TYPE OF PLAN: - Occupational pension plan or personal pension plan (to which either access can be linked to employment or professional activity); - Mandatory, quasi-mandatory or voluntary; - defined benefit traditional, defined benefit hybrid/mixed, defined contribution protected or defined contribution unprotected			The access to the plan can be linked to employment or professional activity (Yes / No)	The employer can or has to contribute (Yes / No)	The employer provides access to the (default) plan (Yes / No)	The employer / social partners establish the plan (Yes / No)	Benefit calculation (by ref. to a formula / by ref. to contributions paid)	Type of guarantee (benefit level / annuity purchase price / capital guarantee / fixed return / absolute minimum return / relative minimum return / none)	Risk-sharing (plan sponsor / active members / deferred members / pensioners / none)	Guarantor (plan sponsor / pension fund / insurance company / none)
BRAZIL	X	National Superintendence for Pension Funds	Closed pension funds: Defined Benefit plans	Traditional definition. Still dominant in terms of fund assets, but most are closed to new entrants. Overall, the regulation (Art. 21, Lei Complementar nº 109/2011) states that a shortfall (when assets do not cover liabilities) will be solved by both sponsors and members, according to the proportion of their contributions. Therefore, if employees contribute with 50% of the scheme, they will make extra-contributions to compensate 50% of the total shortfall. Alternatively, the benefit will be reduced, also considering the proportion of the employees' contribution to the scheme.	Pension fund	Occupational pension plan	Voluntary	DB traditional	Yes	Yes	Yes	Yes	By ref. to a formula	Benefit level	Plan sponsor, members and pensioners	Plan sponsor
	X		Closed pension funds: Defined Contribution plans	Plans where the retirement benefit accumulation is pure DC and where the retirement benefit payouts also continue to be a direct function of participant's account balance. Association plans are DC, and any new civil service complementary plans will be DC. However, it is important to note that many employer-sponsored DC plans provide defined benefits in the event of pre-retirement death or disability. These "risk benefits" closely resemble those found under occupational DB plans in several countries and under separately insured group life insurance and group long term disability contracts. In other words, the benefits are often a direct function of salary or of the projected retirement benefit. The closed pension fund self-insures these benefits and thus is required to submit actuarial reports. As an alternative to self-insurance, there are no major legal impediments to either the plan sponsor or the pension fund purchasing group death and disability insurance contracts from insurance companies, but the insurance industry has shown little interest in offering such products. A new law on reinsurance was introduced in 2008, removing the state reinsurance monopoly and allowing foreign reinsurers. Whether this will have any positive impacts on closed pension plans and funds remains to be seen.	Pension fund	Occupational pension plan	Voluntary	DC unprotected	Yes	Yes	Yes	Yes	By ref. to contributions paid	None	None	None
	X		Closed pension funds: Variable Contribution plans	They are also sometimes called "mixed plans". These need to be understood, as they are an important characteristic of the Brazilian pension scene, and because they create special challenges for both pension funds and the regulator. Variable contribution plans are again pure DC during the retirement accumulation phase, but they retain the life annuity obligation (if any) after retirement. Under this scenario, the pure DC retirement accumulation is converted at retirement to a lifetime pension - always with indexing and often with a survivorship feature - and the fund retains the obligation. Again, actuarial valuations clearly are required for such benefits. The problems of increasing longevity have been masked in recent years by extremely favourable investment returns and by an ever-increasing focus on programmed withdrawals (with no mortality implications) and partial lump sums as the primary forms of retirement benefit payout. Again, the life insurance industry could play a much greater role, but this is not really happening for a variety of reasons. It should nevertheless be noted that insured life annuities are available under several forms of open pension funds, and one route to arms length annuitization on an individual basis would be to further encourage retirees to transfer their DC retirement capital to such open plans (as allowed under article 14 of Law 109).	Pension fund	Occupational pension plan	Voluntary	DB hybrid-mixed	Yes	Yes	Yes	Yes	By ref. to contributions paid (during the accumulation phase) / by ref. to a formula (for the pay-out)	None (during the accumulation phase) / Benefit level (during the payout phase)	Plan sponsor, members and pensioners	Pension fund (in the pay-out phase)
	X		Open Entities - traditional plans	Open entities offer pension plans which are not necessarily linked to employment. They offer their services to employers, employees, the self-employed and unemployed individuals. Companies may set up an open pension plan for their employees through open entities, in the following ways: - As a contracting third party: in this type of plan, the company contracts the plan and makes it available to its employees without, however, participating in the funding. It plays a role as managing party of the contract only. - As a sponsor: in this type of plan, the company also participates funding totally or partially the cost of the plan for its employees. In open plans, the actuarial and financial risk lies with the Insurer or EAPP (private pension open entity), even if the company acts as a sponsor.	Pension insurance contracts	Personal pension plan, to which access can be linked to employment or professional activity	Voluntary	DC protected	Yes	Yes	Yes	No	By ref. to a formula	Benefit level	None	Insurance company

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	X	Superintendency of Private Insurance (SUSEP)	Open Entities - PGBL and VGBL plans	Open entities offer pension plans which are not necessarily linked to employment. They offer their services to employers, employees, the self-employed and unemployed individuals. Companies may set up an open pension plan for their employees through open entities, in the following ways: - As a contracting third party: in this type of plan, the company contracts the plan and makes it available to its employees without, however, participating in the funding. It plays a role as managing party of the contract only. - As a sponsor: in this type of plan, the company also participates funding totally or partially the cost of the plan for its employees. In open plans, the actuarial and financial risk lies with the Insurer or EAPP (private pension open entity), even if the company acts as a sponsor. PGBL and VGBL are variable contribution plans with flexible contribution and investment options, and without return guarantees in the accumulation phase. During the payout phase, these types of plans guarantee the annuity payment.	Pension insurance contracts	Personal pension plan, to which access can be linked to employment or professional activity	Voluntary	DC unprotected	Yes	Yes	Yes	No	By ref. to contributions paid	None (during the accumulation phase) / benefit level (during the payout phase)	None	None (during the accumulation phase) / Insurance company (during the payout phase)
	X		Open Entities - other variable contribution plans	Open entities offer pension plans which are not necessarily linked to employment. They offer their services to employers, employees, the self-employed and unemployed individuals. Companies may set up an open pension plan for their employees through open entities, in the following ways: - As a contracting third party: in this type of plan, the company contracts the plan and makes it available to its employees without, however, participating in the funding. It plays a role as managing party of the contract only. - As a sponsor: in this type of plan, the company also participates funding totally or partially the cost of the plan for its employees. In open plans, the actuarial and financial risk lies with the Insurer or EAPP (private pension open entity), even if the company acts as a sponsor. Plans in this category are variable contribution plans with flexible contribution and investment options, and with relative minimum return guarantee in the accumulation phase. During the payout phase, these types of plans guarantee the annuity payment.	Pension insurance contracts	Personal pension plan, to which access can be linked to employment or professional activity	Voluntary	DC protected	Yes	Yes	Yes	No	By ref. to contributions paid	Relative minimum return (during the accumulation phase) / benefit level (during the payout phase)	None	Insurance company