



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>.

OECD Global Pension Statistics- Country Methodological Notes-MASTER FILE

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| 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 / Pension insurance contract / Bank managed fund / Investment company managed fund) | TYPE OF PLAN: - Occupational pension plan or personal pension plan (to which <u>either</u> access can be linked to employment or professional activity, <u>or</u> access is not 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) | | |
| FINLAND | X | Ministry of Social Affairs and Health Statistics Finland | The earnings-related statutory pension provisions for private sector workers and seamen | They are administered by pension insurance companies, company pension funds, industry-wide pension funds or separate pension institutions. This category includes the pension plans regulated by the <i>Employees' Pensions Act</i> (TyEL), by other employment pension laws for specific groups of workers and by the <i>Seamen's Pension Act</i> . The plans are partially funded and partially PAYG-system. They are part of the social security system. The pension benefits are stated in the relevant acts and the contributions are stated by the administrative orders by the Ministry. | Pension fund | Occupational pension plan | Mandatory | DB traditional | Yes | Yes | Yes | Yes | By ref. to a formula | Benefit level | None | Employer or insurance company |
| | X | | Company pension funds and industry-wide pension funds | As statutory occupational pension plans cover the entire working population, the voluntary occupational and personal pension plans are supplementary only. They are mainly used for lowering the retirement age and for raising the pension level of older age groups. | Pension fund | Occupational pension plan | Voluntary | DB traditional | Yes | Yes | Yes | Yes | By ref. to a formula | Benefit level | None | Employer |
| | X | | Group pension insurance contracts in life insurance companies | The employer may offer an extra pension insurance to cover all employees or a group of them. The employer acts as policyholder. | Pension insurance contract | Occupational pension plan | Voluntary | DB traditional | Yes | Yes | Yes | Yes | By ref. to a formula | Benefit level | None | Insurance company |
| | | | Book reserve pension plans | Sums entered in the balance sheet of the employer as reserves or provisions for pension plan benefits. Some assets may be held in separate accounts for the purpose of financing benefits. | Book reserve/ non-autonomous fund | Occupational pension plan | Voluntary | DB traditional | Yes | Yes | Yes | Yes | By ref. to a formula | Benefit level | None | Employer |
| | | | | The plans are traditional with-profit policies. The employer pays the premiums of the policy. Some key persons of a company get this kind of benefit. Policyholders are guaranteed a certain level of benefit by the insurance company. The return to the policyholders will be increased through additional periodic distributions whose amounts are not determined in advance, but are determined from time to time by the insurance company, depending on the result of the company. | Pension insurance contract | <i>Personal pension plan, to which access can be linked to employment or professional activity</i> | Voluntary | DC protected | Yes | Yes | Yes | No | By ref. to contributions paid | Benefit level | None | Insurance company |
| | X | | Personal pension insurance contracts in life insurance companies | The plans are unit-linked. The employer pays the premiums of the policy. | Pension insurance contract | <i>Personal pension plan, to which access can be linked to employment or professional activity</i> | Voluntary | DC unprotected | Yes | Yes | Yes | No | By ref. to contributions paid | None | None | None |
| | | | | Individuals open personal annuity insurance contract with preferential tax treatment. The plans are traditional with-profit policies. Policyholders are guaranteed a certain level of benefit by the insurance company. The return to the policyholders will be increased through additional periodic distributions whose amounts are not determined in advance, but are determined from time to time by the insurance company, depending on the result of the company. | Pension insurance contract | Personal pension plan, to which access is not linked to employment or professional activity | Voluntary | DC protected | No | No | No | No | By ref. to contributions paid | Benefit level | None | Insurance company |
| | | Individuals open personal annuity insurance contract with preferential tax treatment. The plans are unit-linked. | Pension insurance contract | Personal pension plan, to which access is not linked to employment or professional activity | Voluntary | DC unprotected | No | No | No | No | By ref. to contributions paid | None | None | None | | |