



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 / 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, or 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 guaranteee (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)
HUNGARY		Central Bank of Hungary	Institutions for occupational retirement provision (foglalkoztatónyugdíjszolgáltató intézmény)	Institutions for occupational retirement provision: private limited companies (or stock companies) established under the Act CXVII of 2007 on Occupational Pensions and the Related Institutions, and institutions registered in other EEA states, which operate separately from the employer or the professional organisation and the objective of which is the provision of occupational pension plan benefits in accordance with the agreement entered into by the employers and the employees or the representatives thereof for the member or number of employees, when the institutions carry out activities stipulated by the agreement. The institutions for occupational retirement provision may be established by banks, insurance companies limited by shares, investment companies, or an employer or a number of employees jointly, if they undertake to pay employer's contribution for their employees. There is only one institution for occupational retirement provision in operating in Hungary with insignificant market size.	Pension fund (private limited company)	Occupational pension plan Voluntary DC unprotected	Yes	Yes	Yes	Yes	By ref. to contributions paid	None	None	None
	X		Voluntary privately managed pension funds (magánnyugdíjpénztár)	Voluntary privately managed pension funds may be funded by employers (separately or jointly), chambers of commerce (separately or jointly), professional associations (jointly or separately, or with chambers of commerce), employees' interest organisations (i.e. trade unions), and voluntary pension funds. Since the end of 2010, participation is voluntary. People entering the labour market before 2010 can have some entitlements also from that scheme. Reduced number of private pension funds are still working in Hungary. At present 4 private pension funds operate in Hungary. Due to legislative changes the membership fee is not determined by law. Benefit payment is guaranteed in case of insolvency of the fund. The guarantor is the Guarantee Fund. The guarantee system for the privately managed pension funds contained a so-called guaranteed investment performance on contributions. The funds calculated the amount of capital of guaranteed investment performance by adding membership contributions multiplied by inflation rates. (At least zero real return on contributions was guaranteed at the time of awarding pension benefit.) The regulation on guarantees has changed since 1st January 2015. The guaranteed investment performance on contributions was cancelled. According to the law now the assets of the Guarantee Fund may be used for guarantee payments if the assets of a fund member or a beneficiary of a member have been frozen in the case of a switch of funds, a return to the social security pension system, the provision of pension benefits, or the death of the fund member, or if the level of the benefit reserves hampers performance of service obligations in the period of payment of pension benefits.	Pension fund	Personal pension plan, to which access is not linked to employment or professional activity Voluntary DC protected	No	Yes	No	No	By ref. to contributions paid	Inflation-indexed capital guarantee (until 1st January 2015)	None	Guarantee fund in case of insolvency of the pension fund
	X		Voluntary private pension funds (önkéntes nyugdíjpénztár)	Employee participation is entirely voluntary. Supplementary pensions are provided only by defined contribution plans via voluntary pension funds promoted by the state with changing tax allowances. Voluntary pension funds must be founded by a minimum of 15 persons. Voluntary pension funds provide the most wide-spread form of pension savings in Hungary with more than 1 million members.	Pension fund	Personal pension plan, to which access is not linked to employment or professional activity Voluntary DC unprotected	No	Yes	No	No	By ref. to contributions paid	None	None	None
	X		Individual retirement account: voluntary private pension plan (nyugdíj előtakarékossági számla)	This new alternative was registered in 2006. It is available through banks and investment companies. It provides a choice of investments for members. The state provides tax relief for this plan.	Bank / Inv. co. managed fund	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
	X		Pension insurance products (nyugdíjbiztosítási termékek)	Personal annuity insurance contract with preferential tax treatment.	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