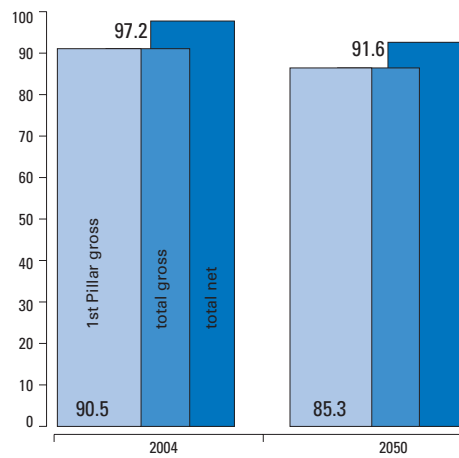




Social Protection and
Financial Sustainability

**Individual Replacement Rates at
Median Income, 2004-2050**



©European Centre, Vienna

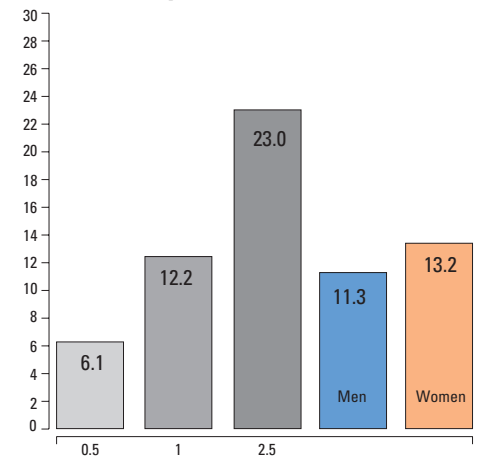
Sources:
Individual RRs, RRs for diff. Earnings Level:
SPC 2004, NSR 2005;

Notes:
Gross pension wealth by earnings level,
mandatory pension programmes
Men and women:
weighted (average) pension wealth

**Replacement Rates at 2/3rd of
Average Earnings Level, 2005-2050**

n.a

**Pension Wealth at different Earning
Level and by Gender*, 2040**



*see Notes

Indicators



Demographic Indicators



Income and Wealth



Labour Market and
Labour Market Participation



Social Protection and Financial
Sustainability

Median Pensions relative to Median Earnings, 1995 - 2004

n.a

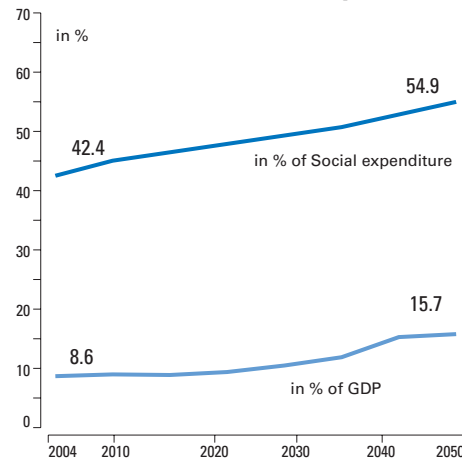
Spain



Implicit Contribution Rate, 2004-2050

n.a

Total Pension Spending in % of GDP and in % of Social Exp.*



*Pensions, health, long-term care, education, unemployment benefits

Decomposition of Projected Public Pension Spending, 2004-2050

n.a

Sources:

Total Pension Spending: NSR; EPC 2003; Casey et al.

System Accrual Rates: OECD, Pensions at a glance 2005; NSR 2005; MISSOC 2005

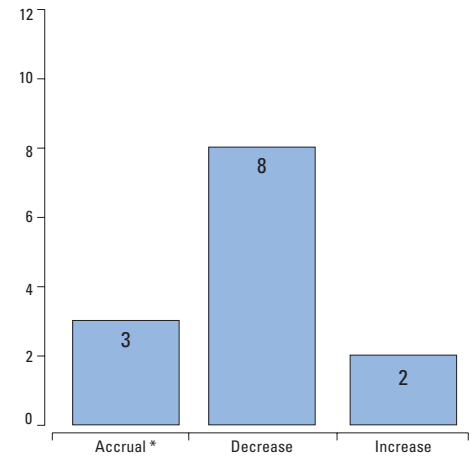
Lifetime Allocation: National Policy Reports 2005, Burniaux et al. 2004

Take-up Ratio: World Labour Report 2000, ILO

Sustainability Gap Indicators*, 2004

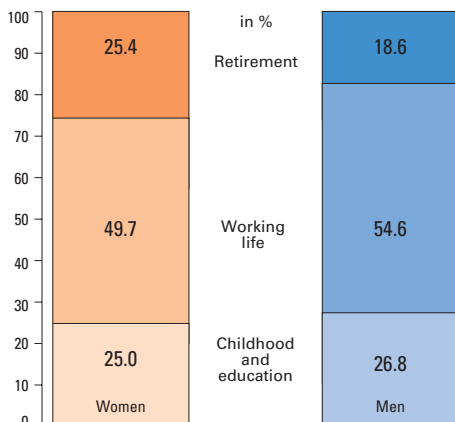
n.a

System Accrual Rates



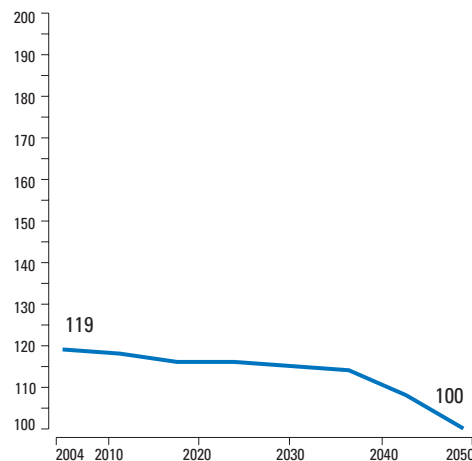
*RPB = Required Primary Balance

Lifetime Allocation*



* Based on average ages of entry and exit to/from the labour market calculated for 2000

Take-up Ratio



Old Age and System Dependency Ratios

n.a



Participation in Private Pension Schemes, 2004

occupational	10
individual	n.a.

Age Differential in Statutory Retirement Age, 2005

65 years for both women and men.

Pension Credit for non-contributory Periods, 2005

Non-contributory periods credited or taken into consideration

- First year of parental leave to bring up a child under three years is considered to be a period of effective contributions.

Contributions are deemed to have been paid during the first year of unpaid leave for care of children or dependent family members, when the job is kept open for the worker's return. The period of one year for childcare will be extended. Furthermore, there will be no longer the requirement of a minimum contribution period when awarding a benefit for risk during pregnancy.

Non-contributory periods credited or taken into consideration

- Child care years in the case of parents of children under 4;
- national service or equivalent;
- qualifying earnings in the case of recipients of income related activity/ sickness compensation;
- social security benefits.

For some of these periods the individual pays a contribution, the State always pays what remains up to 18,5%.

Compensation for the loss of income in the case of parental leave is, i.e. the parental benefit, is pensionable. The equivalent of the contribution the employer would have paid is financed from the Central Government budget. Furthermore, in addition to real income, some fictitious incomes give pension rights. Parents of small children are therefore credited with a supplementary pension right, a pensionable amount, given to the parent with the lowest income. These amounts are financed totally from public revenue.

Sources:

Participation in Private Pension Schemes:
Adequate and sustainable pension,
European Commission, 2006
Age Differential, Pension Credit:
MISSOC 2005

