

The role of supplementary pension provision in retirement:

Designing private pensions to complement public pensions

- El documento será publicado en el OECD Pensions Outlook 2018, en diciembre.
- Incorpora comentarios y análisis al documento “Designing Private Pensions to Complement Public Pensions” (DAF/AS/PEN/WD(2017)15).

Objetivo del proyecto

- Proveer un marco de referencia para evaluar cómo se pueden diseñar planes de pensiones administración privada como un complemento a los planes públicos. De esta manera se pueden perseguir diferentes objetivos (complementarios) para cada tipo de plan y compartir riesgos.

Mensajes principales

- El propósito de las pensiones es aliviar la pobreza en la vejez y suavizar el consumo.
- En la práctica, los sistemas de pensiones combinan elementos privados y públicos.
- La OECD motiva a sus países miembros a diversificar las fuentes de ingreso en el retiro, así como a fortalecer el financiamiento de las pensiones mediante una combinación entre fondeo público y privado.
- Las pensiones públicas y privadas pueden ser complementarias: ofrecen diferentes soluciones para alcanzar objetivos poco compatibles en un solo sistema de pensiones y tienen capacidades distintas para mitigar los tipos de riesgos que enfrentan los ahorradores a lo largo de su vida.

Objetivos y riesgos de los sistemas de pensiones

- Los sistemas de pensiones tienen múltiples objetivos que a veces compiten entre sí. Por ejemplo; necesitan proveer seguridad financiera para los ahorradores en el retiro pero tienen que ser sostenibles financieramente.
- El documento sintetiza los múltiples objetivos y riesgos de las pensiones (Tabla 1 y 2) y cómo diferentes diseños de pensiones pueden ayudar a lograr objetivos y mitigar riesgos.

Conclusiones

- Se puede mejorar la resiliencia general del sistema de pensiones y enfocarse en varios objetivos al utilizar diferentes combinaciones de sistemas de pensiones públicos o privados combinando elementos que aprovechen su complementariedad.

Table 1. Pension system objectives and pension design features

	Public pension Non-contributory	Public pension Contributory PAYG	Public pension Contributory Funded	Private funded pension Mandatory DB	Private funded pension Mandatory DC	Private funded pension Voluntary
Poverty relief	Most efficient method	Some through lifelong benefit	Some through lifelong benefit	Some through lifelong benefit	Not if exhaust resources	n/a
Consumption smoothing	No	Some, may be targeted to specific groups	Some, according to parameters	Inherent through lower wages	Most direct link savings/benefits	May divert other savings
Financially sustainable	n/a	Depends on parameters	Depends on link between benefits and contributions	Sponsor responsible	Individual responsible	Yes
Redistribution	Yes via tax system	Yes, depends on parameters	Yes, depends on parameters	Possible but not a goal	Not possible in individual DC	Not possible in individual DC
Inter-generational equity	Within tax system	In legacy systems, may mean lower guarantees for individuals	In legacy systems, may mean lower guarantees for individuals	Yes	Not possible in individual DC	Not possible in individual DC
Intra-generational equity	n/a	Possible	Possible	Possible	Not possible in individual DC	Not possible in individual DC
Benefit adequacy /replacement rate	Depends on policy/ fiscal implications	Depends on target (note potential sustainability issues)	Depends on target	Depends on parameters	Only non-binding target can be set	n/a
Labour force participation	n/a	May weaken incentives if DB	Depends on link between contributions and benefits	May be less suited to future labour market	Strong incentive	Limited incentive
Coverage	Universal	Only if participated in formal economy	Only if participated in formal economy	Tend to exclude lower paid	Tend to exclude lower paid	Usually for higher earners

Table 2. Pension system risks and pension design features

	Public pension Non-contributory	Public pension Contributory PAYG	Public pension Contributory Funded	Private funded pension Mandatory DB	Private funded pension Mandatory DC	Private funded pension Voluntary
Labour market risks	Full cover at basic level	Protection can be built in, e.g. for missed contributions	Protection can be built in, e.g. for missed contributions	Risk pooling possible	Expensive to insure on individual basis	n/a
Social risks	Full cover at basic level	Protection can be built in, e.g. for disability	Protection can be built in, e.g. for disability	Risk pooling possible	Can be built in e.g. Chile	n/a
Macro-economic risks	May affect fiscal capacity	Lower contributions	Lower contributions; cost of indexation	Contributions, indexation, sponsor health, annuity values	Contributions, annuity values Indexation less likely	Lower contributions
Financial market risks	n/a	n/a	Investment returns	Investment returns	Investment returns	Investment returns
Operational risks	n/a	n/a	May fail to exploit scale	Governance risks	Governance risks	Governance risks
Longevity risk	Full cover at basic level	Full cover at given level	Full cover at given level	Full cover at given level but move to risk sharing	Can be built in but at higher cost	n/a