The Socio-Economic Impact of Pension Systems on Women

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Executive Summary

The aim of this study is to improve knowledge regarding the socio-economic impact of pension systems on the situation of women. The findings of the study should help improve understanding of how and by which measure equality between women and men can be better promoted in pension systems.

The study provides an overview on the income composition of women and men in old age in Europe highlighting the at risk of poverty rates especially elderly women are exposed to and offers a comparison and an analysis of gender-relevant pension regulations in 15 EU Member States.[1] It also examines the impact of recent pension reforms in connection with changing biographic and employment patterns of women on their future pension rights on the basis of five case studies for Estonia, Germany, Italy, Poland and the United Kingdom. The study is concluded with best practice examples of how to offset gender inequalities in old age by applying different measures in the pension systems.

Poverty and Income Composition of Women in Old Age

Elderly women in the EU are more affected by poverty than men. In more than half of the Member States, the at-risk-of-poverty rate of women above 65 years of age is above 20%. Poverty rates of women in the EU have in fact worsened over the last years: the average rate for the EU 25 has increased slightly from 19% in 1999 by two percentage points to 21% in 2006 . The poverty rates of women above 75 years of age are even higher, with an average of 24% (EU 25) and 26% (EU 15).

Information on the situation of both women and men as regards individual income is rather limited. Income data is mainly available on a household level, readjusted to the number of household members (equivalized) and based on the assumption that the household income is equally shared by household members. The information derived from this household level data does not allow for conclusions to be drawn regarding actual income of individual household members. There are different calculation methods to weight the income, but the general problem is that the concept of equal sharing of resources might overestimate the income of women and that the actual number of poor women is larger than household income data reveals.

EU-SILC data allows for an analysis of individually attributable income, which excludes however certain income components, such as means-tested benefits provided at household level. Thus, individually attributable income represents part of the actual income of individual household members. Individually attributable income of women is in general lower than individually attributable income of men.

Available EU-SILC data shows that income from pensions is by far the most important component of income and is even more important for elderly women than for elderly men. In many countries, pension income constitutes up to 90% of the total income of elderly women.

[1] Austria, Belgium, Estonia, Finland, Germany, Hungary, Ireland, Italy, Lithuania, Malta, Poland, Portugal, Romania, Sweden and the United Kingdom.

Share of pension income and other sources of income in selected EU Member States for women and men aged 65 and over, 2006

		Percentage of income from old-age benefits of total income	Accumulated percentages of other income sources (excluding old-age benefits) of total income
AT	women	98.71	1.28
	men	96.11	3.89
BE	women	97.23	2.77
	men	95.44	4.56
EE	women	91.38	8.62
	men	81.88	18.13
FI	women	94.63	5.36
	men	87.89	12.09
HU	women	96.99	3.00
	men	92.14	7.85
IE	women	93.08	6.93
	men	80.71	19.31
IT	women	95.10	4.90
	men	86.68	13.32
LT	women	92.91	7.08
	men	80.56	19.45
PL	women	96.36	3.64
	men	93.03	6.98
PT	women	74.40	25.58
	men	86.74	13.26
SE	women	87.09	12.91
	men	84.79	15.20
UK	women	95.21	4.78
	men	90.71	9.29

Source: EU-SILC User database UDB 2006 – version 1 of March 2008; own calculations (rounded to 2 digits); (1) provisional data income reference period 2005, except UK (2006) and IE (moving income reference period 2005-2006). No data available for DE, MT, RO.

The importance of pension income for overall income of elderly women and men varies from country to country (from 98.7% for women in Austria to 74.4% for women in Portugal and from 96.1% for men in Austria to 80.6% for men in Lithuania).

Further distinction of income sources, in particular different income from various pension tiers, is not possible. EU-SILC data, which is the main comparative data source on the EU level, allows for only a partial analysis of income components in old age. Income from different public pension benefits (disability pensions, widows'/widowers' pensions) as well as public, occupational or mandatory private pensions cannot be distinguished after a person has reached retirement age. Thus the interplay of public and occupational pensions and the role of survivors' pensions for women in old age cannot be analyzed with EU-SILC data.

Measures to Offset Gender Inequalities in Old Age and Best Practice

There is a broad spectrum of measures in pension schemes that impact on the old-age income of women. These measures include the general characteristics of a pension scheme, which might be to the advantage or disadvantage of women, and measures that specifically aim at reducing the pension gap between women and men.

Minimum income guarantees

Minimum income guarantees in pension schemes that provide an adequate level of benefits are an effective instrument to prevent individuals from being exposed to the risk of poverty in old-age.

In general, minimum income guarantees are beneficial to women as there are more women with a record of no or limited employment who either rely on a residence-based minimum pension, a contributory minimum pension or on social assistance allowances.

Protection from poverty in old age can be provided in several ways, either as residence-based minimum pensions or as minimum provisions within earnings-related pension schemes (contributory minimum pensions). Means-tested social assistance benefits are usually seen as the last means of providing a safeguard against poverty. Even if the latter are not part of the pension system, they represent an important instrument to prevent elderly women from poverty.

If minimum income guarantees are to fully protect from poverty it would be important that their level is equal or at least very close to the at-risk-of-poverty rate. However, in many of the countries analyzed in this study these guarantees often provide only for an income that is below the at-risk-of-poverty level. One best practice example in this context, however, is an contributory minimum pension in Belgium, which provides for a pension that more or less equals the at-risk-of-poverty rate, also for those who have worked part time for a considerable period. This is particularly important for women, as they tend to be predominant among part-time workers (mainly due to child-rearing responsibilities) for a considerable number of years in certain countries.

Best practice example for contributory minimum pensions: Belgium

A means-tested pension supplement is granted for at least 30 years of at least half-time employment if a person is eligible for an old-age pension. The minimum pension is set at 976 € (for a single-person household in 2008) for a full working career of 45 years and reduced proportionally for each missing year.

In order to keep minimum pensions at their current level, adequate indexation is necessary. While the adjustment of employment-related pensions normally depends on wage increases, the adjustment of minimum pensions is often either carried out on a discretional basis or oriented on inflation. In both cases there is the risk that the minimum pension could over time lose ground in comparison with average wages and employment-related pensions and that the relation of the minimum pension and the at-risk-of-poverty rate worsens over time.

Equal Retirement Age for Women and Men

The legal retirement age for women and men still differs in a number of Member States. However, in most of the countries in this study a transition process during which the pensionable age for women will be increased to the same level of that of men is under way. A lower legal retirement age of women implies that women, even if they have no interruption in their employment record, will accrue fewer contributory years and therefore have lower pensions than men.

In order to benefit from an equal retirement age, it is important that women have employment opportunities and the labour market offer enough jobs for elderly workers. Only under these circumstances will raising the retirement age of women be an effective means of increasing women's pensions.

Best practice example for raising the retirement age of women to that of men: United Kingdom

In the UK the retirement age for women is currently 60, while that of men is 65. Retirement age for women and men will be gradually raised to 68 by 2046. According to the estimations for pension outcomes for women in 2050, this measure makes a considerable contribution to higher pensions for women in the future.

Best practice example for raising the retirement age of women to that of men: Estonia

The retirement age for women is currently 60.5 years, in comparison to 63 years for men. The retirement age of women will gradually be raised to reach that of men by 2016. This measure is notable as in general life-expectancy in Central- and Eastern European countries is lower and so have been retirement ages traditionally. A higher retirement age will enable women to accumulate more contributory years in the future.

The issue of raising retirement ages becomes even more important with the current tendency in many countries to tighten the link between contributions and benefits in earnings-related pension schemes. This tightened link also represents a disadvantage for those with lower incomes, a large number of women among them. Even if access to earnings-related pensions has in many cases become easier thanks to lower minimum contributory periods, on balance the less redistributive character which has been introduced in a number of countries might affect women negatively. Thus longer employment times and the level of income are of growing importance.

Another option which will help to enable women to increase employment periods and to catch up with men with regard to the length of employment is to abolish a fixed retirement age and introduce a flexible retirement age within a given corridor. Women are thus not disadvantaged in comparison with men and can decide individually the age at which they wish to retire, given open labour market opportunities.

Best practice example for introducing a flexible retirement age for women and men: Sweden

In Sweden the fixed retirement age has been abolished. Employees have the right to remain in work until the age of 67. The earliest possible age for retirement is 61. Potential retirees pay an actuarial “price”, i.e. a lower pension benefit in case the whish to retire earlier. They also have the opportunity to combine work and retirement.

Best practice example for introducing a flexible retirement age for women and men: Finland

In Finland the retirement age has been made flexible for women and men within a range from 63 to 67 years. In these years, the accrual rate is raised to 4.5%, compared with 1.5% for those aged under 63. This provides and incentive to remain in employment and helps women make up for earlier gaps in employment.

Pension Credits for Periods of Care

It is still mostly women who interrupt employment or work part time to embark upon periods of care. Credits for non-contributory periods are therefore an important measure to offset gender inequalities in old age.

Credits for Maternity and Child Care

Breaks in the employment record of women most frequently occur in connection with raising children.

Child care credits have been introduced or extended in many EU Member States. The level and duration of such credits in earnings-related pension schemes however vary considerably. Only in very few cases do they actually fully replace contributions at the same level as contributions from former employment. If such credits are to close employment gaps in earnings-related pension systems, they would need to be raised substantially in many countries.

Often women combine child care with (part-time) employment, but not all countries analysed in this study offer them a possibility to benefit from a care credit. These women would not benefit from a care credit which is granted only when employment is interrupted. In order not to diminish the incentive for women to take up employment and to ease re-integration into the labour market, child care credits could be granted in parallel to employment to top up pension entitlements based on employment. The countries also differ in their regulations who (woman or man, or both) is eligible for a care credit.

Best practice example for child care credits: Germany

Child care credits are granted for 3 years after birth. Credits are granted on the basis of average earnings and regardless of employment, meaning that the credits can be added to contributions gained from employment up to a maximum limit.
In addition, further credits exist for a parent of at least one child who is working part-time. The contributions gained from employment are topped up by 50% with a maximum limit of contributions based on average earnings.

With regard to providing flexibility to women, certain countries, e.g. Sweden and Hungary, offer a number of different care credit options and the one taking the credit can choose the most beneficial option. Different life and employment models of women are taken into account.

Best practice example for child care credits: Hungary

Either parent providing child care can choose between three different options: (a) child care credits for children up to 2 years of age where the contribution base amounts to 70% of the previous wage (maximum 70% of the doubled minimum wage); (b) child care credits for the care of a child up to age of three years with contributions based on the minimum pension; (c) child care credits until the youngest of at least three children turns 8 with contributions based on the minimum pension. In all cases parallel employment is possible.

Best practice example for child care credits: Sweden

A parent in Sweden has several options as regards child care credits. The most favourable option is automatically chosen when calculating pension benefits. Credits are granted for 4 years in accordance with one of three alternatives: (a) the credits cover individual income losses up to a maximum income ceiling; (b) the credit covers 75% of the average income; (c) a credit based on ca. 20% of the average income is added to the actual contributions paid from earnings.

Comparing regulations on child care credits, several conclusions can be drawn. Women particularly benefit from regulations that are generous in terms of the amount of pension credits granted. However, often the amount of credits granted is rather low. Women also benefit from regulations that are generous in terms of the length of credits granted. However, the option to interrupt employment for a longer period might be a disincentive to take up work. Thirdly, flexible solutions are important which allow for parallel employment.

The regulations on child care credits differ considerably among countries with regard to the duration and level of compensation. In addition, employment participation and the length of employment interruptions, as well as the role of part-time employment, vary considerably among the countries analyzed. Thus, child care credits have a different impact in the context of different pension schemes and female employment patterns.

Care Credits for Other Forms of Care

Only a few countries consider other caring periods (e.g. for frail and elderly family members) in the pension scheme. By far the largest share of such care is provided by women. In order to provide such care, women frequently reduce or give up employment.

Care credits for other forms of care are in most cases less generous than child care credits. The provision of care credits is often technically complicated and depends on the fulfilment of a number of criteria sometimes ruling out anything other than marginal employment. Often the regulations are implicitly targeted at helping women fulfil the entitlement criteria to obtain a minimum pension. Austria could be considered as a best practice example, providing adequate care credits to those caring for frail or disabled family members for up to four years.

Best practice example for care credits: Austria

Persons caring for a frail or disabled family member may pay voluntary contributions at a reduced rate. Up to 100% of contributions are paid by the state for up to 4 years depending on the form and volume of care necessary

Regulations Regarding Marital Status

Regulations concerning marital status are important, in particular for those women who are currently in or close to retirement. The most important are survivors' pensions. Survivors' pensions were – and still are – an important measure to safeguard widows from poverty and to maintain their standard of living. In recent times, certain regulations relating to survivors' pensions for cohabiting partners have been implemented, and a split of pension rights in case of divorce has been introduced in some countries in order to cope with changing life patterns. In addition, in a few countries spousal benefits provide married couples with an additional (spousal) pension supplement in case only one of the partners can claim a pension. Spousal pensions are only available for married women and might disadvantage single women, and in addition they might also reduce the incentive for women to build up their own entitlements to a pension.

Survivors' pensions are derived pension rights not linked to the survivor's own contributions and might provide incentives not to build up sufficient individual pension entitlements. Survivors' pensions also play an important role in reducing the at-risk-of-poverty rate, particularly for women who disproportionately benefit from survivors' pensions due to their higher life expectancy and lower individually gained pensions.

Survivors' benefits differ in level, qualifying conditions and duration of payments. In most countries, for surviving partners above the state pension age, entitlement criteria set a low barrier to obtain the survivors' pension. For a surviving partner below pensionable age entitlement criteria are often more restrictive and demanding, e.g. requiring the raising of a child under a certain age or the incapacity to work.

Best practice example for survivors' pensions: Poland

Survivors' pensions in Poland amount to between 85% and 95% of the pension of the deceased. The surviving partner has to choose between his/her own pension and the survivors' pension. If the entitlement criteria are fulfilled once, the survivors' pension does not cease after remarriage.

Due to the increasing employment participation of women and the accumulation of individual pension claims, there is a trend to tighten the entitlement criteria for survivors' pensions and to reduce the level of survivors' pensions. In Sweden, for example, survivors' pensions are being phased out, and only transitional payments to widows or widowers do still exist. This reflects both the philosophy that pension entitlements should be based on individually collected rights rather than on derived rights, as well as the relatively high level of individual pension entitlements in Sweden.

A new challenge for pension systems is presented by the changing family pattern to which they need to adapt. In a number of countries also a divorced partner is entitled to a survivors' pension. This entitlement however ceases if the divorced partner remarries. Sometimes a survivor's pension is only granted if the survivor was entitled to alimony payments. Only in very few countries a split of pension rights is foreseen in case of divorce.

Best practice example for divorce regulations: Belgium

In the case of a divorce the partner with the lower income and contributions benefits from those of the former partner. 62.5% of the income of the former partner during the marriage minus the divorced spouse' own income during the marriage is acknowledged for the pension.

The reasoning behind splitting pension entitlements acquired during the marriage is the understanding that pension rights are joint assets and that all pension entitlements acquired during a marriage are equally shared between the former couple. Such a regulation might help women with no or only part-time employment and low pension entitlements to increase pension rights.

Regulations pertaining to cohabitation can be found in a limited number of countries analyzed in this study, including Germany, Finland, Hungary, Portugal, Sweden and the United Kingdom. In most of these countries cohabiting partners are eligible for survivors' benefits. Partners have either to be living together for a certain time (Portugal), have a child (Sweden) and/or a registration of partnership (Germany, Finland, Hungary, the United Kingdom). These regulations reflect changing family structures and protect women in the case of the partner's death. They provide, however, no protection in the case that the cohabiting couple splits.

Spousal regulations still exist in a few countries (e.g. Belgium, Ireland, the UK) and stem from a period when women often had no pension entitlements of their own. While they are positive to the extent that the income of a couple is increased, they also bear some negative effects, as the dependent partner is most likely to be a woman, which contributes to the continued economic dependence of women of pensionable age.

Regulations with Regard to Privately Managed Schemes

Privately managed pension systems are becoming more and more important throughout the countries of the European Union. Hence, it is particularly important to analyze measures that might positively or negatively effect gender equality in such schemes. While for funded tiers of mandatory, statutory pension schemes the most important issues are unisex tariffs and the provision of care credits, for occupational schemes and pensions that are provided individually it is coverage, participation and, once again, unisex tariffs that are of special relevance. In some countries, important gender differences in occupational pension schemes can be observed. This might be explained however by the unequal distribution of occupational pension schemes, which are more widely used in areas of industry that are typically male-dominated, whereas such schemes exist less frequently in other fields and smaller companies where women tend to be over-represented. Thus it might be more difficult for women to access occupational schemes. The opportunity for women to participate in voluntary private schemes might be limited, as women tend to work more frequently part-time in some countries and have lower earnings.

In private pension schemes unisex tariffs are an efficient measure to level out income inequalities between women and men in old age. Sex-segregated tariffs would result in considerably lower pensions due to longer life expectancy of women. In those countries with mandatory privately managed schemes unisex tariffs have been introduced in many cases. Best practice examples here are Estonia, Hungary, Poland or Sweden. However, most occupational schemes and voluntary private schemes operate on the basis of sex-segregated tariffs. One best practice example for voluntary private schemes with unisex tariffs is the so called *Riester-Rente* in Germany.

Best practice example for unisex tariffs: Estonia, Hungary, Poland, Sweden and Germany

Unisex tariffs have been introduced in the privately managed, funded and mandatory tier of the pension system in Estonia, Hungary, Poland and Sweden. A notable exception for a *voluntary* privately managed pension scheme that is operating with unisex tariffs is the German *Riester-Rente*.

In countries where funded mandatory tiers that are privately managed have been introduced it is important that similar provisions for care credits in funded schemes are in place as in the pay-as-you-go system, i.e. that contributions to private schemes are paid by the state also into the privately managed funded tier. If not, the positive effect of care credits in the pay-as-you-go scheme will be counteracted by lower pension payments due to missing contributions from the mandatory funded tier.

Best practice example for care credits in mandatory privately managed systems: Hungary, Poland and Sweden

Care credits are provided in mandatory privately managed schemes at the same replacement rate as in the pay-as-you-go scheme, i.e. during employment interruption due to periods of care a contribution to the private scheme is paid by the state.

In almost all European pension systems people are encouraged to save voluntarily into individual private (and occupational) schemes. Participation in such schemes is usually promoted with the aid of tax incentives. However, tax incentives tend to provide higher incentives to higher-income earners, not necessarily women. Thus, direct subsidies might be more effective as an incentive for both women and men to participate in voluntary schemes.

Best practice example for direct subsidies for voluntary private pension schemes: Germany

A general subsidy and a child allowance are paid by the state for the *Riester-Rente* and top up individual savings. Participation is thus encouraged, especially for women who can benefit from a double subsidy.

Pension Outcomes for Women Today and in the Future

Pension income is the most important source of income for women in old age. That said, as illustrated by recent EU-SILC data, pension income for women is lower than that of men. This study has examined pension outcomes for women in more detail for five countries.[2] These case studies looked not only at "average" cases but also at typical employment patterns for women and attempted to exemplify and illustrate pension outcomes for women with different employment histories.

The case studies are based on three employment scenarios for women: a scenario of a hypothetical life course with no employment; an "interrupted" scenario which reflects a female work history interrupted (mainly due to care responsibilities); and a full-time employment scenario that illustrates the pension outcomes for women with a continuous work history without any interruptions. Country-specific "interrupted" employment scenarios were chosen, because labour market participation of women in fact differs substantially across EU Member States. Due to the country-specific nature of the assumptions as regards the selected biographies and the different methods of calculation it is not possible to compare results across countries.

Pension outcomes have been estimated for these various scenarios both for women retiring in 2008 and for women retiring in 2050. The objective of this two-generation analysis was twofold, to get a more in-depth understanding of the present relation between employment histories of women and their pension outcomes on the one hand, and also to analyze the impact of changing employment patterns and their interaction with pension reforms in the future on the other hand. In order to assess the pension outcome estimations for the various countries in the light of objectives of the Open Method of Coordination to ensure adequate retirement incomes for all, the outcomes have been analyzed with regard to their relation to poverty lines and to the average pension of a women/man with a full employment history.

The case studies underline the notion that the gender pension gap will persist in the future and might even become larger. The main underlying reason for these increasing inequalities is the fact that recent pension reforms have strengthened the link between contributions and benefits, which might also reflect more closely the existing gender pay gap. In the face of the existing pension differences among women and men today and the expectation that they will continue, measures to offset gender inequalities in old age are of particular importance.

Conclusions

Income differences between women and men and interrupted employment records are reflected by the pension scheme. The level of pension benefits is mainly determined by individual employment. As women tend to have lower wages and employment biographies with more interruptions, they are faced with a higher risk of receiving a lower pension.

[2] Estonia, Germany, Italy, Poland and the United Kingdom.

Pension systems may level out some of the differences in earnings and compensate for interruptions in employment. However, measures within a pension system will not be able to compensate fully for the gender pay gap as they will only contribute to a limited extent to additional pension rights. It would be therefore important that pension systems result in a gender pension gap that is lower than the gender wage gap rather than reinforcing inequalities.

Measures to increase pension income of women should not present a disincentive to build up women's own pension rights based on employment. Thus, it is considered positive if care credits not only compensate for lost income but also provide the possibility of parallel employment should one wish to do so – on the other hand, care credits provided over a longer period but only if a person is not employed might both result in lower pension entitlements due to the lower contributions/credits and make future adequate employment more difficult due to a long absence from the labour market. Similarly, survivor's pensions improve the situation of many women in old age but in case they represent a disincentive for work they can enhance existing gender inequalities.

In many countries the importance of additional, mostly privately managed pension schemes is underlined. This tendency might prove to have negative effects on the future pension amounts for women, because pensions will reflect income differences between women and men and lower entitlements due to employment interruptions even more clearly. Thus it is important that in private schemes measures to offset gender inequalities adequately compensate disadvantages in the same ways as in pay-as-you-go public schemes.

It is expected that the gender pension gap will persist in the future and might even become larger. The main underlying reason for these increasing inequalities is the fact that recent pension reforms have strengthened the link between contributions and benefits, which might also reflect more closely the existing gender pay gap. When analyzing the impact of different measures to offset gender inequalities, the interaction between individual measures within a specific pension system and employment patterns of women in a certain country is very important. While in one country care credits granted in addition to part-time work might prove an efficient measure to upgrade pension entitlements of women, in another country with low part-time employment rates of women this measure might not have any impact on women's pensions at all.

The time lag of reforms has to be taken into account when assessing measures aiming to improve the pension income of women. Many of the measures described in the study were introduced only very recently and will be granted only to younger generations. A large proportion of elderly women will not benefit from measures introduced now or some years ago, as the regulations are not applied retrospectively.

There are numerous examples within the countries studied that show how measures have a positive effect on the pension outcome of women and reduce the risk of women receiving lower pensions in old age. Measures within the pension system that at least partly compensate for times of no employment are particularly effective when replacing a large share of former income. Regulations creating the possibility for women to gain higher entitlements by making their own contributions from employment tend to prove even more effective, as long as women have the opportunity to be employed and decide to take that path.

Zusammenfassung

Ziel dieser Studie ist, das Verständnis über die Auswirkungen von Rentensystemen auf die sozioökonomische Situation von Frauen zu verbessern. Die Ergebnisse dieser Studie sollen helfen zu verstehen, durch welche Maßnahmen die Gleichstellung von Frauen und Männern innerhalb der Rentensysteme verbessert werden kann.

Die Studie liefert eine Übersicht über die Einkommenszusammensetzung älterer Frauen und Männer in Europa, beschreibt das Armutsrisiko für ältere Frauen und liefert eine vergleichende Analyse von Rentenregelungen und ihrer Bedeutung für Frauen und Männer in 15 Mitgliedsstaaten der EU.[3] Untersucht werden außerdem die Auswirkungen der jüngsten Rentenreformen in Verbindung mit veränderten weiblichen Biographien und Erwerbsmustern auf die künftigen Rentenansprüche von Frauen, basierend auf fünf Fallstudien zu Deutschland, Estland, Italien, Polen und dem Vereinigten Königreich. Die Studie schließt mit Best-Practice-Beispielen, wie der Geschlechterungleichheit im Alter durch verschiedene Maßnahmen innerhalb der Rentensysteme entgegengewirkt werden kann.

Armut und Einkommenszusammensetzung von älteren Frauen

Ältere Frauen sind innerhalb der EU stärker von Armut betroffen als Männer. In mehr als der Hälfte der Mitgliedsstaaten liegt die Armutsrisikoquote der über 65-jährigen Frauen bei über 20%. Tatsächlich hat sich die Armutsrate von Frauen in der EU in den letzten Jahren verschlechtert: Die Durchschnittsrate der EU 25 ist von 19% im Jahre 1999 um zwei Prozentpunkte auf 21% im Jahre 2006 leicht gestiegen. Die Armutsrate der über 75-jährigen Frauen liegt mit einem Durchschnitt von 24 % (EU 25) und 26 % (EU 15) sogar noch höher.

Informationen zur Situation sowohl von Frauen als auch von Männern bezüglich des individuellen Einkommens sind sehr begrenzt. Einkommensdaten sind überwiegend auf Ebene der privaten Haushalte verfügbar und werden anschließend anhand der Anzahl der Haushaltsmitglieder gewichtet (Äquivalenzeinkommen). Ein solches Äquivalenzeinkommen basiert auf der Annahme, dass das Haushaltseinkommen unter den einzelnen Haushaltsmitgliedern gleichmäßig aufgeteilt wird. Solche aus Haushalteinkommen abgeleiteten Informationen lassen daher keine Schlüsse zum tatsächlichen Einkommen der individuellen Haushaltsmitglieder zu. Es gibt verschiedene Berechnungsmethoden um das Einkommen zu gewichten, aber ein grundsätzliches Problem bei dieser Berechnung von Äquivalenzeinkommen ist, dass aufgrund der Annahme einer gleichmäßigen Verteilung von Einkommen zwischen den Haushaltsmitgliedern die Einkommen von Frauen tendenziell überschätzt werden können und daher die tatsächliche Anzahl der Frauen, die von Armut betroffen sind, höher ist als Einkommensdaten auf Haushaltsebene vermuten lassen.

Die EU-SILC-Daten ermöglichen eine Analyse des individuell zurechenbaren Einkommens, wobei bestimmte Einkommenskomponenten ausgeschlossen bleiben, wie etwa auf Haushaltsebene gewährte, bedarfsorientierte Leistungen. Folglich stellt das individuell zurechenbare Einkommen lediglich einen Teil des tatsächlichen Einkommens der einzelnen Haushaltsmitglieder dar. Das individuell zurechenbare Einkommen von Frauen liegt in der Regel auf einem niedrigeren Niveau als das von Männern.

Verfügbare EU-SILC-Daten zeigen, dass das Renteneinkommen die weitaus wichtigste Einkommenskomponente ist, für ältere Frauen ist es in der Regel noch wichtiger als für

[3] Belgien, Deutschland, Estland, Finnland, Irland, Italien, Litauen, Malta, Österreich, Polen, Portugal, Rumänien, Schweden, Ungarn und das Vereinigte Königreich.

ältere Männer. In vielen Ländern stellt das Renteneinkommen bis zu 90 % des Gesamteinkommens von älteren Frauen dar.

Anteil des Renteneinkommens und anderer Einkommensquellen am Gesamteinkommen, Frauen und Männer über 65 Jahre, ausgewählte Mitgliedsstaaten, 2006

		Prozentualer Anteil des Einkommens aus Altersleistungen am Gesamteinkommen	Akkumulierter prozentualer Anteil aus weiteren Einkommensquellen (ohne Altersrenten) am Gesamteinkommen
AT	Frauen	98,71	1,28
	Männer	96,11	3,89
BE	Frauen	97,23	2,77
	Männer	95,44	4,56
EE	Frauen	91,38	8,62
	Männer	81,88	18,13
FI	Frauen	94,63	5,36
	Männer	87,89	12,09
HU	Frauen	96,99	3,00
	Männer	92,14	7,85
IE	Frauen	93,08	6,93
	Männer	80,71	19,31
IT	Frauen	95,10	4,90
	Männer	86,68	13,32
LT	Frauen	92,91	7,08
	Männer	80,56	19,45
PL	Frauen	96,36	3,64
	Männer	93,03	6,98
PT [1]	Frauen	74,40	25,58
	Männer	86,74	13,26
SE	Frauen	87,09	12,91
	Männer	84,79	15,20
UK	Frauen	95,21	4,78
	Männer	90,71	9,29

Quelle: EU-SILC User database - UDB 2006 – Version vom 1. März 2008;
eigene Berechnungen (auf 2 Ziffern gerundet); (1) vorläufige Werte
Einkommen für den Referenzzeitraum 2005, außer UK (2005) und IE (2005-2006),
Daten für DE, MT und RO nicht verfügbar.

Die Bedeutung des Renteneinkommens für das Gesamteinkommen von Frauen und Männern variiert von Land zu Land (für Frauen von 74,4 % in Portugal bis 98,7 % in Österreich und für Männer von 80,6 % in Litauen bis 96,1 % in Österreich).

Eine weitere Unterscheidung der Einkommensquellen, insbesondere verschiedener Einkommen aus unterschiedlichen Rentenarten, ist nicht möglich. Die EU-SILC-Datenbank, die auf EU-Ebene die Hauptquelle für Vergleichsdaten darstellt, erlaubt lediglich eine teilweise Analyse der Einkommenskomponenten im Alter. Einkommen von verschiedenen gesetzlichen Rentenleistungen (Invaliditätsrenten, Witwen-/Witwerrenten) sowie gesetzliche und betriebliche Renten oder obligatorische Privatrenten können nicht mehr unterschieden werden, sobald eine Person das Rentenalter erreicht hat. Aus diesem Grund kann anhand von EU-SILC Daten die Wechselwirkung zwischen gesetzlichen und betrieblichen Renten sowie die Rolle von Hinterbliebenenrenten für ältere Frauen nicht untersucht werden.

Maßnahmen zum Ausgleich von Geschlechterungleichheiten im Alter und "Best Practice"

Es gibt ein weites Spektrum an Maßnahmen innerhalb der Rentensysteme, die sich auf das Einkommen älterer Frauen auswirken. Sie umfassen die allgemeinen Charakteristika eines Rentensystems, die zum Vor- oder Nachteil von Frauen ausfallen können, sowie Maßnahmen, die speziell darauf abzielen, Rentenunterschiede zwischen Frauen und Männern zu verringern.

Mindesteinkommensgarantien

Mindesteinkommensgarantien durch Rentensysteme, die eine angemessene Leistungshöhe sichern, sind ein effektives Instrument zum Schutz vor Altersarmut.

Im Allgemeinen sind Mindesteinkommensgarantien für Frauen besonders förderlich, da Frauen häufiger nicht oder nur in begrenztem Umfang erwerbstätig sind und daher öfter auf eine wohnsitz- oder eine beitragsabhängige Mindestrente bzw. auf bedarfsgeprüfte Sozialhilfeleistungen angewiesen sind.

Schutz vor Altersarmut kann auf unterschiedliche Weise gesichert werden, etwa in Form einer wohnsitzabhängigen Mindestrente oder durch Mindestsicherungselemente innerhalb einkommensbezogener Rentensysteme. Bedarfsorientierte Sozialleistungen gelten in der Regel als letztmöglicher Schutz vor Armut.

Sollen Mindesteinkommensgarantien vollständig vor Armut schützen, so wäre es wichtig, dass diese auf Höhe oder zumindest sehr nahe an der Armutsrisikoquote liegen. Allerdings sichern besagte Garantien in vielen der in dieser Studie untersuchten Länder lediglich ein unterhalb des Niveaus des Armutsrisikos liegendes Einkommen. Als Best-Practice-Beispiel sei in diesem Kontext die einkommensbezogene Mindestrente in Belgien angeführt, die eine auf etwa der Höhe der Armutsrisikoquote liegende Rente gewährt und auch von jenen in Anspruch genommen werden kann, die für eine längere Zeit nur teilzeitbeschäftigt waren. Für Frauen ist dies besonders wichtig, weil sie in bestimmten Ländern (meist aufgrund von Kindererziehung) überdurchschnittlich häufig teilzeitbeschäftigt sind.

Best-Practice-Beispiel für beitragsbezogene Mindestrenten: Belgien

Personen mit Anspruch auf Altersrente erhalten einen bedarfsorientierten Rentenzuschlag, wenn mindestens 30 Jahre Erwerbstätigkeit (mit einem Umfang von mindestens 50% einer Vollzeiterwerbstätigkeit) vorliegen. Die Mindestrente ist bei einer Vollzeitbeschäftigung von 45 Jahren auf 976 € festgesetzt (für einen Einpersonenhaushalt, 2008) und wird für jedes fehlende Jahr proportional gekürzt.

Um das Niveau der Mindestrenten zu erhalten, ist eine angemessene Indexierung notwendig. Während die Indexierung von einkommensbezogenen Renten häufig an die Lohnentwicklung gekoppelt ist, werden Mindestrenten oftmals entweder lediglich diskretionär, d.h. nach Ermessen angepasst oder die Indexierung orientiert sich an der

Preisentwicklung. In beiden Fällen besteht das Risiko, dass die Mindestrente verglichen mit Durchschnittslöhnen und einkommensbezogenen Renten im Laufe der Zeit an Wert verliert und sich das Verhältnis zwischen Mindestrente und der Armutsrisikoquote zunehmend verschlechtert.

Gleiches Rentenzugangsalter für Frauen und Männer

Nach wie vor unterscheidet sich in vielen Mitgliedsstaaten die gesetzliche Altersgrenze von Frauen und Männern. Allerdings wird die gesetzliche Altersgrenze von Frauen derzeit in einigen Ländern, die in dieser Studie untersucht werden, im Rahmen eines längeren Übergangsprozesses an die der Männer angeglichen. Ein niedrigeres Rentenalter für Frauen hat zur Folge, dass selbst bei einer Erwerbstätigkeit ohne Unterbrechungen weniger Beitragsjahre angesammelt werden und sich somit niedrigere Renten ergeben als bei Männern.

Eine Vorraussetzung dafür, dass sich eine höhere Altersgrenze auch positiv für Frauen auswirkt ist, dass Frauen entsprechende Beschäftigungschancen erhalten und der Arbeitsmarkt genügend Beschäftigungsmöglichkeiten für ältere Arbeitnehmerinnen und Arbeitnehmer bereithält. Allein unter diesen Bedingungen wird die Anhebung der Rentenaltersgrenze für Frauen auch zu einer effektiven Erhöhung ihrer Renten führen.

Best-Practice-Beispiel zur Anhebung des Renteneintrittsalters von Frauen auf das von Männern: Vereinigtes Königreich

Im Vereinigten Königreich liegt das Renteneintrittsalter von Frauen derzeit bei 60, das von Männern bei 65 Jahren. Das Renteneintrittsalter beider Geschlechter wird bis zum Jahre 2046 allmählich auf 68 Jahre angehoben. Nach Schätzungen von Renteneinkommen von Frauen für das Jahr 2050 wird diese Maßnahme grundlegend zu höheren Renten von Frauen beitragen.

Best-Practice-Beispiel zur Anhebung des Renteneintrittsalters von Frauen auf das von Männern: Estland

Das Renteneintrittsalter von Frauen liegt derzeit bei 60,5 Jahren gegenüber 63 Jahren bei Männern. Das Renteneintrittsalter von Frauen wird bis 2016 allmählich auf das der Männer angehoben. Diese Maßnahme ist deshalb bemerkenswert, weil die Lebenserwartung in den zentral- und osteuropäischen Ländern und somit traditionell auch das Rentenzugangsalter im Allgemeinen geringer ist. Ein höheres Renteneintrittsalter wird den Frauen künftig ermöglichen, mehr Beitragsjahre zu erarbeiten.

Das Thema der Altersgrenzenanhebung für den Renteneintritt gewinnt in vielen Ländern immer größere Bedeutung aufgrund der derzeitigen Tendenz, in einkommensbezogenen Rentensystemen Leistungen stärker an die Beiträge zu koppeln. Diese stärkere Kopplung stellt jedoch auch einen Nachteil für Personen mit geringeren Einkommen dar, zu denen viele Frauen zählen. Selbst wenn der Zugang zu einkommensbezogenen Renten in vielen Fällen dank kürzerer Mindestbeitragszeiten vereinfacht wurde, könnte sich der in zahlreichen Ländern eingeführte geringere Umverteilungscharakter in den Rentensystemen auf Frauen negativ auswirken. Folglich werden eine längere Lebensarbeitsdauer sowie die Höhe des Einkommens zunehmend wichtiger.

Eine weitere Option, die es Frauen ermöglicht, ihre Lebensarbeitszeit zu erhöhen bzw. an die der Männer anzugleichen besteht darin, anstelle einer festen eine flexible Altersgrenze innerhalb eines gegebenen Korridors einzuführen. Frauen wären so gegenüber Männern nicht mehr benachteiligt und könnten individuell entscheiden, in welchem Alter sie in den Ruhestand treten möchten, wenn entsprechende Beschäftigungsmöglichkeiten bestehen.

Best-Practice-Beispiel für die Einführung eines flexiblen Renteneintrittsalters für Frauen und Männer: Schweden

In Schweden wurde eine feste Altersgrenze abgeschafft. Beschäftigte haben das Recht, ihren Arbeitsplatz bis zum Alter von 67 zu behalten. Das Mindestalter für den Renteneintritt beträgt 61 Jahre. Potentiellen Rentnerinnen und Rentnern steht es frei, einen versicherungsmathematischen “Preis” zu zahlen, d. h. bei vorzeitigem Ruhestand eine niedrigere Rente zu erhalten. Gleichzeitig ist es möglich, Rentenbezug und Beschäftigung zu kombinieren.

Best-Practice-Beispiel für die Einführung eines flexiblen Renteneintrittsalters für Frauen und Männer: Finnland

In Finnland wurde das Renteneintrittsalter für Frauen und Männer innerhalb der Altersstufen 63 bis 67 Jahren flexibel gestaltet. Zusätzlich ist der Bewertungsfaktor der Beitragsjahre für Beschäftige im Alter zwischen 63 und 67 Jahren deutlich angehoben worden (4,5 % anstelle von 1,5 %) d.h. diese späteren Beitragsjahre werden in der Rentenformel stärker gewichtet. Zudem ermöglicht Altersarbeit den Frauen, in früheren Phasen der Erwerbsbiographie entstandene Lücken zu schließen.

Anrechnung von Zeiten der Kindererziehung und Pflege

Es sind nach wie vor häufig Frauen, die ihre Berufstätigkeit aufgrund von Zeiten der Kindererziehung oder Pflege unterbrechen oder in Teilzeit arbeiten. Eine Anrechnung der beitragsfreien Zeiten stellt deshalb eine wichtige Maßnahme dar, um Geschlechterungleichheiten im Alter entgegen zu wirken.

Anrechnung von Zeiten der Mutterschaft und Kindererziehung

Erwerbsunterbrechungen von Frauen sind meist durch Kindererziehung bedingt.

Anrechenbare Kindererziehungszeiten sind in vielen EU-Mitgliedstaaten eingeführt oder erweitert worden. Die Höhe und Dauer solcher Anrechnungen in einkommensbezogenen Rentensystemen variiert jedoch beträchtlich. In den seltensten Fällen liegen sie in Höhe der aus der vorausgegangenen Erwerbstätigkeit entstandenen Beiträge. Sollen diese Anrechnungen die Erwerbslücken in einkommensbezogenen Rentensystemen schließen, so müssten sie in zahlreichen Ländern beträchtlich erhöht werden.

Häufig kombinieren Frauen die Kindererziehung mit (Teilzeit-) Arbeit, doch nicht in allen dieser Untersuchung zugrunde liegenden Ländern ist die Möglichkeit gegeben, dann von Kindererziehungszeiten zu profitieren. Wenn Kinderziehungszeiten ausschließlich bei einer

Erwerbsunterbrechung gewährt werden, können erwerbstätige Frauen diese Leistung nicht in Anspruch nehmen. Um den Anreiz für Frauen zur Beschäftigung und zur Rückkehr in den Arbeitsmarkt nicht zu verringern, könnten Kindererziehungszeiten zusätzlich zur Erwerbstätigkeit gewährt werden, um so die Höhe von aus Erwerbstätigkeit entstandenen Rentenansprüche aufzustocken. Die Länder unterscheiden sich auch hinsichtlich der Frage, ob Kinderziehungszeiten an Frauen und/oder Männer gewährt werden können.

Best-Practice-Beispiel für Anrechnung von Kindererziehungszeiten: Deutschland

Kindererziehungszeiten werden für die ersten 3 Lebensjahre angerechnet. Die Kindererziehungszeiten werden ungeachtet der Erwerbstätigkeit auf Basis des Durchschnittslohns gewährt, d.h. Kindererziehungszeiten und Beitragszeiten die aus der Beschäftigung resultieren können – bis zu einer Obergrenze - kumulieren.
Zusätzlich gibt es weitere anrechenbare Zeiten für ein teilzeitbeschäftigtes Elternteil von mindestens einem Kind. Die Beiträge aus der Erwerbstätigkeit werden um 50 % aufgestockt, maximal bis zur Höhe eines Beitrags basierend auf dem Durchschnittlohn.

Um Frauen größere Flexibilität zu ermöglichen, bieten bestimmte Länder, bspw. Schweden und Ungarn, eine Reihe verschiedener Anrechnungsoptionen der Kindererziehungszeiten an, wobei die berechtigte Person das für sie vorteilhafteste Modell wählen kann. Dabei werden unterschiedliche Beschäftigungsmuster und Lebensmodelle von Frauen berücksichtigt.

Best-Practice-Beispiel für Anrechnung von Kindererziehungszeiten: Ungarn

Jedes Elternteil das sich der Kindererziehung widmet kann unter drei möglichen Optionen wählen: (a) Anrechnung von Kindererziehungszeiten für Kinder bis zum zweiten Lebensjahr, bei der die Beitragsgrundlage bis zu 70 % des vorausgegangenen Arbeitsentgelts beträgt (höchstens 70 % des zweifachen Mindestlohnes; (b) Anrechnung von Kindererziehungszeiten für ein Kind bis zum dritten Lebensjahr mit Beiträgen auf Grundlage der Mindestrente; (c) Anrechnung von Kindererziehungszeiten bis das jüngste von mindestens drei Kindern das achte Lebensjahr erreicht mit Beiträgen auf Grundlage der Mindestrente. In allen Fällen ist eine gleichzeitige Erwerbstätigkeit möglich.

Best-Practice-Beispiel für Anrechnung von Kindererziehungszeiten: Schweden

Ein Elternteil in Schweden verfügt bezüglich der Kindererziehungszeiten über mehrere Optionen: (a) die Anrechnung deckt die individuellen Einkommensverluste bis zu einer maximalen Einkommensgrenze ab; (b) die Anrechnung entspricht 75 % des Durchschnittsverdienstes; (c) die Anrechnung basiert auf ca. 20 % des Durchschnittseinkommens kommt zu den tatsächlich aus den Verdiensten gezahlten Beiträgen hinzu.

Ein Vergleich von Regelungen zur Anrechnung von Kindererziehungszeiten lässt mehrere Schlüsse zu. Frauen profitieren insbesondere von Regelungen, bei denen eine Anrechnung auf hohem Niveau erfolgt. Dennoch ist eine solche Anrechnung häufig eher niedrig. Günstig sind auch Regelungen, die eine längere Anrechnungsdauer vorsehen. Jedoch könnte durch längere Zeiten der Anrechnung und eine längere Erwerbsunterbrechung ein negativer Anreiz zur Rückkehr in die Erwerbstätigkeit entstehen. Drittens sind flexible Lösungsmodelle wichtig, die eine Anrechnung von Kindererziehungszeiten und eine gleichzeitige Erwerbstätigkeit ermöglichen.

Bei den Regelungen zur Anrechnung von Kindererziehungszeiten gibt es bezüglich der Dauer und der Höhe des Ausgleichs von Land zu Land deutliche Unterschiede. Hinzu kommt, dass sich die Frauenerwerbsbeteiligung, die Dauer der Erwerbsunterbrechung und die Rolle der Teilzeitarbeit innerhalb der untersuchten Länder stark unterscheiden. Folglich wirkt sich die Anrechnung von Kindererziehungszeiten im Kontext verschiedener Rentensysteme und Erwerbsmuster von Frauen auch unterschiedlich aus.

Anrechnung von weiteren Pflegezeiten

Nur in wenigen Ländern werden andere Pflegezeiten (z. B. für bedürftige oder ältere Angehörige) in der Rentenversicherung berücksichtigt. Angehörigenpflege wird vor allem und überwiegend von Frauen übernommen. Um diese leisten zu können, arbeiten Frauen häufig weniger oder sie geben ihre Erwerbstätigkeit gänzlich auf.

Die Anrechnung von solchen Pflegezeiten erfolgt in der Regel auf niedrigerem Niveau als die von Kindererziehungszeiten. Solche Ansprüche geltend zu machen ist oftmals kompliziert und hängt von der Erfüllung zahlreicher Kriterien ab, wodurch in manchen Ländern bestenfalls eine geringfügige Beschäftigung parallel zur Angehörigenpflege möglich ist. Häufig zielen die Regelungen implizit darauf ab, es den Frauen zu ermöglichen, die Anspruchskriterien zum Erhalt einer Mindestrente zu erfüllen. Als Best-Practice-Beispiel kann Österreich angeführt werden, da hier eine angemessene Anrechnung von bis zu vier Jahren für jene eingeräumt wird, die sich der Pflege bedürftiger oder behinderter Angehöriger widmen.

Best-Practice-Beispiel für die Anrechnung von Pflegezeiten: Österreich

Personen die sich der Pflege von bedürftigen oder behinderten Angehörigen widmen können freiwillige Beiträge zu einem reduzierten Beitragssatz zahlen. Je nach Art und Grad der Pflegebedürftigkeit werden bis zu 100 % der Beiträge für bis zu vier Jahre vom Staat übernommen.

Bestimmungen im Hinblick auf den Familienstand

Bestimmungen zum Familienstand sind wichtig, insbesondere für jene Frauen, die kurz vor dem Ruhestand stehen oder das Rentenalter bereits erreicht haben. Am wichtigsten sind in diesem Zusammenhang die Hinterbliebenenrenten. Diese waren – und sind noch – eine wichtige Maßnahme, um Witwen vor Armut zu schützen und ihren Lebensstandard zu erhalten. In jüngster Zeit sind einige Bestimmungen zur Hinterbliebenenrente für gemeinschaftlich lebende Partner eingeführt worden; in einigen Ländern wurde für den Scheidungsfall ein Rentensplitting eingeführt, um sich an die veränderten Lebensmuster anzupassen. In einigen Ländern existieren neben Hinterbliebenenrenten auch sog. „Ehegattenrenten“ (spousal pensions), die einen Rentenzuschlag für einen Ehepartner gewähren, sollte dieser keinen oder einen geringen eigenen Anspruch haben. Solche

Ehegattenrenten sind allerdings nur für verheiratete Frauen zugänglich und können allein stehende Frauen benachteiligen. Sie könnten auch dazu führen, dass der Anreiz für Frauen, eigenständige Rentenansprüche aufzubauen, verringert wird.

Hinterbliebenenrenten sind abgeleitete Rentenansprüche, die nicht an die Beiträge des Hinterbliebenen selbst gekoppelt sind. Auch sie könnten ein Anreiz dafür sein, nicht genügend individuelle Rentenansprüche zu erwerben. Hinterbliebenenrenten spielen aber auch bei der Verringerung der Armutsrisikoquote eine wichtige Rolle, insbesondere für Frauen, da diese aufgrund von höherer Lebenserwartung und niedrigeren individuell erworbenen Renten überdurchschnittlich häufig von Hinterbliebenenrenten profitieren.

Hinterbliebenenrenten unterscheiden sich in Höhe, Anspruchsbedingungen und Zahlungsdauer. In den meisten Ländern sind die Zugangsbedingungen für Hinterbliebene über dem gesetzlichen Rentenalter eher leicht. Für jüngere Hinterbliebene hingegen sind die Anspruchsvoraussetzungen häufig restriktiver, so müssen beispielsweise jüngere Kinder erzogen werden oder eine Arbeitsunfähigkeit vorliegen.

Best-Practice-Beispiel für Hinterbliebenenrenten: Polen

Hinterbliebenenrenten in Polen liegen zwischen 85 und 95 % der Rente des Verstorbenen. Die/der Hinterbliebene muss sich für die eigene oder die Hinterbliebenenrente entscheiden. Wurden die Anspruchskriterien einmal erfüllt, so erlischt das Anrecht auf die Hinterbliebenenrente auch im Falle einer erneuten Eheschließung nicht.

Aufgrund der steigenden Erwerbsbeteiligung von Frauen und dadurch individuell erworbener Rentenanwartschaften gibt es eine Tendenz, die Anspruchvoraussetzungen für Hinterbliebenenrenten zu verschärfen und ihr Niveau abzusenken. In Schweden werden die Hinterbliebenenrenten z.B. vollkommen abgeschafft, und es gibt nur noch Übergangszahlungen für Witwen und Witwer. Dies spiegelt die Philosophie, dass Rentenanwartschaften eher auf individuell erworbenen als auf abgeleiteten Ansprüchen basieren sollten, wider. Eine wichtige Vorraussetzung dafür war allerdings auch der in Schweden zu verzeichnende, relativ hohe Anteil an individuellen Rentenansprüchen von Frauen.

Eine neue Herausforderung für die Rentensysteme ist die Anpassung an veränderte Familienmuster. In zahlreichen Ländern hat auch ein geschiedener Ehepartner das Anrecht auf eine Hinterbliebenenrente. Allerdings erlischt dieser Anspruch bei einer erneuten Heirat des Hinterbliebenen. In manchen Fällen wird die Hinterbliebenenrente nur dann gewährt, wenn der Hinterbliebene einen Anspruch auf Unterhaltszahlungen hatte. Nur in wenigen Ländern ist für den Fall einer Scheidung ein Rentensplitting vorgesehen.

Best-Practice-Beispiel für Scheidungsbestimmungen: Belgien

Im Falle einer Scheidung profitiert der Ehepartner mit dem geringeren Einkommen und den niedrigeren Beiträgen von denen des ehemaligen Ehepartners. Für die Rente anerkannt werden 62,5 % des Einkommens des ehemaligen Gatten während der Ehe, abzüglich des eigenen Einkommens während der Ehe.

Der Grundgedanke des Rentensplittings in der Ehe besteht darin, dass es sich bei den Rentenansprüchen um gemeinsame Vermögenswerte handelt und dass alle in der Ehe erworbenen Rentenansprüche des einstigen Paares gleichmäßig aufgeteilt werden. Eine solche Regelung kann Frauen, die lediglich über eine Teilzeit- oder gar keine Beschäftigung und daher geringe Rentenanwartschaften verfügen, dabei helfen, ihre Rentenansprüche zu erhöhen.

Regelungen hinsichtlich eheähnlichen Gemeinschaften sind in den in dieser Studie analysierten Ländern nur begrenzt zu finden, u.a. in Deutschland, Finnland, Portugal, Schweden, Ungarn und dem Vereinigen Königreich. In den meisten dieser Länder haben in eheähnlicher Gemeinschaft lebende Partner Anspruch auf eine Hinterbliebenenrente. Die Partner müssen entweder seit einer gewissen Zeit zusammenleben (Portugal), ein gemeinsames Kind haben (Schweden) und/oder ihre Partnerschaft registrieren lassen (Deutschland, Finnland, Ungarn und das Vereinigte Königreich). Diese Regelungen spiegeln veränderte Familienstrukturen wieder und schützen Frauen im Todesfall des Partners. Allerdings gewähren sie im Falle einer Trennung keinen Schutz.

„Ehegattenrenten“ (spousal pensions) bestehen nach wie vor in einigen wenigen Ländern (bspw. in Belgien, Irland und im Vereinigten Königreich) und stammen aus einer Zeit, als Frauen noch über keine eigenen Rentenansprüche verfügten. Während sie sich positiv auf die Höhe des Einkommens eines Ehepaares auswirken, bergen sie doch auch negative Auswirkungen, da es sich beim abhängigen Partner zumeist um die Frau handelt und zum Erhalt der wirtschaftlichen Abhängigkeit von Frauen im Rentenalter beiträgt. Zuschläge für nicht rentenberechtigte Ehepartner könnten außerdem einen negativen Anreiz für Frauen darstellen, eigene Rentenansprüche aufzubauen.

Bestimmungen hinsichtlich der privaten Altersvorsorge

Die private Altersvorsorge gewinnt in allen Ländern der Europäischen Union immer größere Bedeutung. Aus diesem Grund ist es besonders wichtig, auch Maßnahmen in diesen Bereichen der Altersvorsorge, die sich positiv oder negativ auf die Gleichstellung von Frauen und Männern auswirken könnten, zu analysieren. Während für obligatorische kapitalgedeckte Teile in gesetzlichen Alterssicherungssystemen insbesondere Unisex-Tarife und die Berücksichtigung von Kindererziehungszeiten einen hohen Stellenwert haben, sind im Falle betrieblicher und privater Vorsorge vor allem der Deckungsgrad, die Beteiligung sowie ebenfalls Unisex-Tarife von großer Bedeutung. In einigen Ländern können erhebliche Unterschiede in der Verbreitung betrieblicher Alterssicherung im Hinblick auf Männer und Frauen beobachtet werden. Diese können durch die ungleiche Verbreitung betrieblicher Vorsorge erklärt werden, häufig sind in Branchen, in denen Männer vermehrt beschäftigt sind, betriebliche Vorsorgeformen weiter verbreitet, während Frauen öfter in Branchen bzw. Betrieben arbeiten, in denen keine betriebliche Altersvorsorge angeboten wird. Daher ist der Zugang für Frauen zur betrieblichen Alterssicherung oftmals schwieriger. Die Möglichkeit für Frauen, freiwillig privat vorzusorgen kann durch die Tatsache, dass Frauen häufiger teilzeitbeschäftigt sind und niedrigere Einkommen haben, ebenfalls in einigen Ländern begrenzt sein.

In den privaten Rentenversicherungen stellen Unisex-Tarife eine wirksame Maßnahme zum Ausgleich von Einkommensunterschieden zwischen Frauen und Männern im Alter dar. Geschlechtsspezifische Tarife würden aufgrund der längeren Lebenserwartung von Frauen zu beträchtlich geringeren Renten führen. In den Ländern, in denen obligatorische kapitalgedeckte Systeme eingeführt wurden, sind zumeist auch Unisex-Tarife vorgeschrieben worden. Best-Practice Beispiele hier sind z.B. Estland, Ungarn, Polen oder Schweden. Die meisten betrieblichen und freiwilligen Rentenversicherungen operieren hingegen auf der Grundlage geschlechtsspezifischer Tarife. Ein Best-Practice-Beispiel für eine freiwillige Privatvorsorge mit Unisex-Tarifen ist die so genannte *Riester-Rente* in Deutschland.

Best-Practice-Beispiel für Unisex-Tarife: Estland, Polen, Ungarn, Schweden und Deutschland

In Estland, Polen, Ungarn und Schweden wurden in privat durchgeführten, obligatorischen und kapitalgedeckten Teilen des Alterssicherungssystems Unisex-Tarife eingeführt. Ein besonderes Beispiel für eine private, freiwillige Altersvorsorge auf Basis von Unisex-Tarifen ist die deutsche *Riester-Rente*.

In Ländern, in denen privat durchgeführte kapitalgedeckte obligatorische Systeme eingeführt wurden ist es wichtig, dass dort in gleicher Weise Zeiten der Erwerbsunterbrechung durch zusätzliche Anrechnung von Kinderziehungs- und Pflegezeiten berücksichtigt werden wie in den umlagefinanzierten Systemen, d.h. dass Beiträge in die private Altersvorsorge gezahlt werden. Andernfalls würden die positiven Auswirkungen von Kindererziehungszeiten in umlagefinanzierten Systemen durch niedrigere Rentenzahlungen wegen fehlender Beitragszeiten aus den obligatorischen kapitalgedeckten Teilen zum Teil wieder abgeschwächt.

Best-Practice-Beispiel für Kindererziehungsszeiten in der privaten Altersvorsorge: Polen, Schweden und Ungarn

Die Anrechnungszeiten basieren in den privat durchgeführten kapitalgedeckten Systemen auf derselben Ersatzrate wie in umlagefinanzierten Systemen, d. h. während der kinder- oder pflegebedingten Erwerbsunterbrechung zahlt der Staat der Privatversicherung eine Beitragsleistung.

In nahezu allen europäischen Rentensystemen wird den Menschen empfohlen, eine individuelle, private (auch betriebliche) Versicherung auf freiwilliger Basis abzuschließen. Die Beteiligung an diesen Vorsorgeformen wird in der Regel mithilfe von Steuererleichterungen gefördert. Allerdings sprechen solche Steueranreize eher Besserverdienende, also nicht unbedingt Frauen an. Folglich könnten direkte Förderungen als Beteiligungsanreiz für die freiwillige Versicherung sowohl für Frauen wie für Männer effektiver sein.

Best-Practice-Beispiel für direkte Förderungen der freiwilligen privaten Altersvorsorge: Deutschland

Eigene freiwillige Beiträge werden durch staatliche Zulagen und Kinderzulagen für die *Riester-Rente* ergänzt. Die Beteiligung an dieser freiwilligen Vorsorgeform wird auf diese Weise gefördert, wobei insbesondere Frauen von einer zweifachen Zulage profitieren können.

Renten von Frauen heute und in der Zukunft

Renteneinkünfte sind für ältere Frauen die wichtigste Einkommensquelle. Dennoch liegt das Renteneinkommen von Frauen, wie die jüngsten EU-SILC-Daten zeigen, auf einem niedrigeren Niveau als das von Männern. In der vorliegenden Studie wurden die Renten von Frauen in fünf Ländern detaillierter untersucht.[4] In Fallstudien wurden nicht nur

[4] Deutschland, Estland, Italien, Polen und das Vereinigte Königreich.

“Durchschnittsfälle”, sondern auch typische Erwerbsmuster von Frauen betrachtet, um die Rentenergebnisse von Frauen mit unterschiedlicher Erwerbsbiographie beispielhaft zu veranschaulichen.

Die Fallstudien basieren auf drei für Frauen typischen Erwerbsszenarien: das Szenario eines hypothetischen Lebenslaufes ohne Beschäftigung; ein “Unterbrechungs-Szenario”, das eine (hauptsächlich aufgrund von Erziehungszeiten) unterbrochene, weibliche Erwerbsbiographie beschreibt; und ein Vollzeitbeschäftigungs-Szenario, dass das Renteneinkommen für Frauen mit einer kontinuierlichen Erwerbsbiographie ohne jede Unterbrechung darstellt. Es wurden länderspezifische “unterbrochene” Erwerbsszenarien ausgewählt, weil sich die Erwerbsbeteiligung von Frauen zwischen den EU-Mitgliedsstaaten erheblich unterscheidet. Aufgrund der länderspezifischen Besonderheiten bezüglich der angenommenen Biographien und der Berechnungsmethoden ist ein Vergleich der Ergebnisse zwischen den Ländern nicht möglich.

Die aus diesen verschiedenartigen Szenarien resultierenden Rentenhöhen wurden sowohl für Frauen die 2008, als auch für solche die 2050 in den Ruhestand treten geschätzt. Diese “Zwei-Generationen-Analyse” verfolgt ein doppeltes Ziel, einerseits, ein tieferes Verständnis der derzeitigen Beziehung zwischen weiblichen Erwerbsbiographien und Rentenergebnissen zu erlangen, und andererseits, um die Auswirkungen veränderter Erwerbsmuster und deren Interaktion mit den Rentenreformen in der Zukunft zu analysieren. Um die Renteneinkommen in den verschiedenen Länder im Hinblick auf die Ziele der offenen Methode der Koordinierung, angemessene Renteneinkommen für alle zu sichern, zu bewerten, wurden die Ergebnisse im Hinblick auf Armutsgrenzen und der Durchschnittsrente von Frauen/Männern mit einer kontinuierlichen Erwerbslaufbahn verglichen.

Die Fallstudien untermauern die Vermutung, dass geschlechtsbedingte Rentenunterschiede auch künftig bestehen bleiben und möglicherweise sogar noch größer werden könnten. Eine Hauptursache für eine solche wachsende Ungleichheit liegt in der Tatsache, dass die jüngsten Rentenreformen die Koppelung der Beiträge an die Leistungen noch verstärkt haben und geschlechtsspezifische Einkommensunterschiede stärker widerspiegeln. In Anbetracht der heute existierenden Unterschiede zwischen Renten von Frauen und Männern sowie der Erwartung, dass dies auch zukünftig so bleiben wird, sind Maßnahmen zur Bekämpfung von Geschlechterungleichheiten im Alter von entscheidender Bedeutung.

Schlussfolgerungen

Einkommensunterschiede zwischen Frauen und Männern und Lücken in der Erwerbsbiographie werden durch Rentensysteme widergespiegelt. Die Höhe der Rentenleistung wird hauptsächlich durch die individuelle Beschäftigung bestimmt. Da Frauen in der Regel über niedrigere Gehälter verfügen und ihre Erwerbsbiographien häufig mehr Erwerbsunterbrechungen aufweisen, sind sie einem größeren Risiko ausgesetzt, eine niedrigere Rente zu beziehen. Die Rentensysteme können zum Einkommensunterschiede auf dem Arbeitmarkt und Erwerbsunterbrechungen zu einem gewissen Teil ausgleichen. Dennoch werden im Rentensystem ergriffene Maßnahmen nicht ausreichen, geschlechtsspezifische Einkommensunterschiede vollständig auszugleichen, da solche Maßnahmen nur bis zu einem gewissen Grad zu zusätzlichen Rentenansprüchen beitragen können. Um die Ungleichheiten nicht weiter zu verfestigen ist deshalb ausschlaggebend, ob Rentensysteme geschlechtsspezifische Einkommensunterschiede verringern oder vergrößern.

Maßnahmen zur Verbesserung der Renten von Frauen sollten jedoch keinen negativen Anreiz darstellen, eigene, individuelle, auf Erwerbstätigkeit beruhende Rentenansprüche aufzubauen. Deshalb wird es als positiv erachtet, wenn Pflege- und Kindererziehungszeiten nicht nur das entgangene Einkommen kompensieren, sondern auch eine gleichzeitige Erwerbstätigkeit ermöglichen, wenn dies gewünscht wird – andererseits könnten längere und nur bei Nichtbeschäftigung anzurechnende Kindererziehungszeiten sowohl zu geringeren Rentenansprüchen aufgrund niedrigerer Beiträge/Anrechungen führen, als auch die Wiederaufnahme einer angemessenen Arbeit aufgrund des längeren Ausscheidens aus dem Arbeitsmarkt erschweren. Ähnliches trifft auch auf die Hinterbliebenenrenten zu, die die Einkommenssituation vieler älterer Frauen verbessern, im Falle eines negativen Anreizes zur Arbeit aber auch zur Verfestigung der bestehenden Geschlechterungleichheiten führen können.

In vielen Ländern wird die Bedeutung einer zusätzlichen, größtenteils privat durchgeführten Altersvorsorge unterstrichen. Diese Tendenz könnte sich negativ auf die künftigen Renteneinkommen von Frauen auswirken, weil private Renten die Verdienstunterschiede zwischen Frauen und Männern und die geringeren Ansprüche aufgrund von Erwerbsunterbrechungen noch deutlicher widerspiegeln werden. Folglich ist wichtig, dass auch in privaten Vorsorgeformen Maßnahmen zur Beseitigung von Geschlechterungleichheiten vorgenommen werden, die die Nachteile angemessen und in gleicher Weise kompensieren wie umlagefinanzierte staatliche Versicherungssysteme.

Es ist zu erwarten, dass geschlechtsspezifische Rentenunterschiede in der Zukunft fortbestehen und vielleicht sogar noch größer werden könnten. Als Hauptursache für diese wachsende Ungleichheit gilt die Tatsache, dass die jüngsten Rentenreformen die Koppelung der Beiträge an die Leistungen noch verstärkt und sich dadurch auch geschlechtsspezifische Einkommensunterschiede noch stärker in der Rentenhöhe widerspiegeln. Bei der Analyse der Auswirkungen verschiedener Maßnahmen zur Beseitigung von Geschlechterungleichheiten ist die Wechselwirkung zwischen einzelnen Maßnahmen innerhalb eines spezifischen Rentensystems und den Erwerbsmustern von Frauen in bestimmten Ländern zu beachten. Während in einem Land zusätzlich zur Teilzeitarbeit angerechnete Kindererziehungszeiten eine effektive Maßnahme zur Erhöhung der Rentenansprüche von Frauen führen können, kann sich selbige Maßnahme in einem Land mit niedrigen Teilzeitbeschäftigungsraten so gut wie gar nicht auf die Rentenhöhe von Frauen auswirken.

Bei der Evaluierung der Maßnahmen, die auf eine Verbesserung des Renteneinkommens von Frauen abzielen, muss die Wirkungsverzögerung von Reformen berücksichtigt werden. Viele der in dieser Studie beschriebenen Maßnahmen wurden in jüngster Zeit eingeführt und werden erst den jüngeren Generationen zuteil werden. Ein Großteil älterer Frauen wird von den derzeit oder vor wenigen Jahren ergriffenen Maßnahmen nicht profitieren, da die Neuregelungen nicht rückwirkend umgesetzt werden.

Es gibt zahlreiche Beispiele innerhalb der untersuchten Länder, die zeigen, wie sich verschiedene Maßnahmen positiv auf das Renteneinkommen von Frauen auswirken und das Risiko einer niedrigen Rente von Frauen im Alter verringern können. Regelungen innerhalb des Rentensystems, die Zeiten der Nichtbeschäftigung zumindest teilweise ausgleichen sind besonders effektiv, wenn sie einen großen Anteil des vorausgegangenen Verdienstes ersetzen. Als noch effektiver erweisen sich Regelungen, die es den Frauen ermöglichen durch eigene Beiträge höhere Ansprüche zu erwerben, soweit sie die Chance auf Beschäftigung erhalten und sich für diesen Weg entscheiden.

Synthèse

La présente étude a pour but d'améliorer la connaissance de l'impact socio-économique des régimes de retraite sur la situation de la femme. Les résultats de l'étude devraient aider à mieux comprendre comment et dans quelle mesure il est possible de mieux promouvoir l'égalité entre les hommes et les femmes au sein des régimes de retraite.

L'étude fournit un aperçu de la composition des revenus et de la pauvreté des hommes et des femmes du troisième âge en Europe et propose une comparaison ainsi qu'une analyse des réglementations de retraite ayant un impact sur l'égalité des genres dans 15 États membres de l'UE.[5] L'étude se penche également sur l'impact des récentes réformes des retraites, en relation avec l'évolution des structures biographiques et de l'emploi féminin, sur les futurs droits à pension des femmes. Pour cela, elle se base sur des études de cas menées dans cinq pays : l'Estonie, l'Allemagne, l'Italie, la Pologne et le Royaume-Uni. En conclusion, l'étude présente des exemples de bonnes pratiques visant à diminuer les inégalités entre les hommes et les femmes âgés par application de différentes mesures dans les régimes de retraite.

Pauvreté et composition du revenu des femmes à la retraite

Les femmes âgées dans l'UE sont plus touchées par la pauvreté que les hommes. Dans plus de la moitié des États membres, le taux de risque de pauvreté est supérieur à 20 % chez les femmes de plus de 65 ans. De fait, au cours de ces dernières années les taux de pauvreté chez les femmes dans l'UE se sont aggravés : le taux moyen dans l'UE-25 a légèrement augmenté de deux points de pourcentage, passant de 19 % en 1999 à 21 % en 2006. Les taux de pauvreté chez les femmes de plus de 75 ans sont même plus élevés, avec une moyenne de 24 % (EU-25) et 26 % (EU-15).

Les informations disponibles sur la situation des femmes et des hommes eu égard au revenu individuel sont plutôt restreintes. Les données disponibles sur les revenus concernent surtout les ménages ; elles sont adaptées au nombre de personnes constituant le ménage (équivalence) et basées sur l'hypothèse que le revenu des ménages est réparti à parts égales entre les membres du ménage. L'information dérivée de ces données concernant les ménages ne permet donc pas de tirer de conclusions en ce qui concerne le revenu réel des membres individuels du ménage. Il existe différentes méthodes de calcul permettant de déterminer les revenus, mais le problème général est lié au fait que la notion de répartition égale des ressources tend à surestimer la part de revenu incombant aux femmes et que le nombre effectif de femmes en situation de pauvreté est plus important que ne le révèle les données sur les revenus des ménages.

Les données EU-SILC tiennent compte d'une analyse des revenus individuellement imputables, laquelle exclut cependant certaines composantes du revenu telles que les prestations attribuées sous condition de ressources au niveau du ménage. Par conséquent, les revenus individuellement imputables représentent une partie du revenu réel des membres individuels du ménage. En général, le revenu individuellement imputable des femmes est inférieur à celui des hommes.

Les données EU-SILC disponibles montrent que les revenus sous forme de pensions constituent de loin la principale source de revenus et qu'ils sont même plus importants pour les femmes que pour les hommes âgés. Dans de nombreux pays, le revenu de retraite constitue jusqu'à 90 % du revenu total des femmes âgées.

[5] Allemagne, Autriche, Belgique, Estonie, Finlande, Hongrie, Irlande, Italie, Lituanie, Malte, Pologne, Portugal, Roumanie, Royaume-Uni et Suède.

Répartition du revenu de retraite et d'autres sources de revenus entre les hommes et les femmes à la retraite âgés de 65 ans et plus, 2006

		Part des revenus issus des prestations de vieillesse dans le revenu total (en %)	Parts accumulées issues d'autres sources de revenus, hormis les prestations de vieillesse (en %)
AT	femmes	98,71	1,28
	hommes	96,11	3,89
BE	femmes	97,23	2,77
	hommes	95,44	4,56
EE	femmes	91,38	8,62
	hommes	81,88	18,13
FI	femmes	94,63	5,36
	hommes	87,89	12,09
HU	femmes	96,99	3,00
	hommes	92,14	7,85
IE	femmes	93,08	6,93
	hommes	80,71	19,31
IT	femmes	95,10	4,90
	hommes	86,68	13,32
LT	femmes	92,91	7,08
	hommes	80,56	19,45
PL	femmes	96,36	3,64
	hommes	93,03	6,98
PT [1]	femmes	74,40	25,58
	hommes	86,74	13,26
SE	femmes	87,09	12,91
	hommes	84,79	15,20
UK	femmes	95,21	4,78
	hommes	90,71	9,29

Source : EU-SILC UDB 2006 – version au 1er mars 2008 ;
Propres calculs (arrondis à 2 chiffres après la virgule) ; (1) données provisoires
Période de référence du revenu 2005, hormis UK (2006) et IE (période de référence variable 2005-2006), données DE et MT et RO non disponibles.

L'importance du revenu de retraite dans le revenu global des hommes et des femmes âgés varie d'un pays à l'autre (de 98,7 % pour les femmes en Autriche à 74,4 % pour les femmes au Portugal, et de 96,1 % pour les hommes en Autriche à 80,6 % pour les hommes en Lituanie).

Une autre distinction des sources de revenus, en particulier entre les différents revenus issus de divers piliers de retraite, n'est pas possible. Les données EU-SILC qui constituent la principale source de données comparatives au niveau de l'UE, n'autorisent qu'une analyse partielle des composants du revenu des personnes à la retraite. La distinction entre les revenus provenant des différentes prestations des régimes de retraite publics (pensions d'invalidité, pensions de veuf ou de veuve) autant que la distinction entre les régimes de retraite public, d'entreprise ou de régimes privés obligatoires n'est plus possible après qu'une personne a atteint l'âge de la retraite. Par conséquent, l'interaction entre les régimes de retraites publics et les régimes de retraite d'entreprise ainsi que le rôle des pensions de réversion pour les femmes à la retraite ne peuvent être analysés à partir des données EU-SILC.

Mesure visant à diminuer les inégalités entre les hommes et les femmes du troisième âge, bonnes pratiques

Un nombre important de mesures prises au sein des régimes de retraite ont un certain impact sur le revenu des femmes à la retraite. Ces mesures incluent les caractéristiques générales d'un régime de retraite, qu'elles soient à l'avantage ou au désavantage des femmes, ainsi que des mesures qui ont pour but spécifique de réduire l'écart de pension entre les hommes et les femmes.

Garanties de revenus minimaux

Les garanties de revenus minimaux dans les régimes de retraite assurant un niveau approprié de prestations constituent un instrument efficace pour empêcher les individus d'être exposés au risque de pauvreté au moment de l'âge de la retraite.

En général, les garanties de revenus minimaux représentent un avantage pour les femmes, car il y a plus de femmes concernées par le non-emploi ou l'emploi réduit qui comptent soit sur une pension minimale basée sur le lieu de résidence ou une pension minimale contributive soit sur des prestations d'aide sociale.

La protection des retraités contre la pauvreté peut être assurée de plusieurs manières, soit par des pensions minimales basées sur le lieu de résidence, soit par des prestations minimales au sein des régimes de retraite liés aux revenus (pension contributive minimum). Les prestations d'aide sociale attribuées sous condition de ressources sont généralement considérées comme dernier recours permettant d'assurer un rempart contre la pauvreté. Même si celles-ci ne font pas partie du régime de retraite, elles représentent un instrument important de protection des femmes âgées contre la pauvreté.

Si les garanties de revenus minimaux doivent protéger entièrement contre la pauvreté, il serait important que leur niveau soit égal ou au moins très proche du taux de risque de pauvreté. Toutefois, dans un grand nombre des pays analysés dans le cadre de la présente étude, ces garanties procurent souvent un revenu qui reste inférieur au seuil de risque de pauvreté. Dans ce contexte, il convient cependant de citer l'exemple de bonne pratique que constitue la pension minimale proportionnelle aux revenus en Belgique, qui prévoit une pension plus ou moins égale au taux de risque de pauvreté, également pour tous ceux et celles qui ont travaillé à temps partiel pendant longtemps. Cet aspect est particulièrement important pour les femmes, car celles-ci tendent à prédominer parmi les travailleurs à temps partiel (ce fait étant principalement dû aux responsabilités liées à l'éducation des enfants).

Exemple de bonne pratique pour les pensions contributives minimums: Belgique

Un complément de retraite sous condition de ressources est octroyé en cas d'activité à temps partiel pendant au moins 30 ans aux personnes bénéficiant d'une pension de vieillesse. La pension minimale est fixée à 976 € (pour un ménage d'une personne en 2008) pour une carrière professionnelle complète de 45 ans, et se réduit proportionnellement par année manquante.

Afin de maintenir les pensions minimales à leur niveau actuel, une indexation adéquate est nécessaire. Alors que l'ajustement des pensions liées à l'emploi dépend normalement des augmentations de salaires, celui des pensions minimales se fait soit de façon discrétionnaire, soit en fonction de l'inflation. Dans les deux cas, la pension minimale risquerait, avec le temps, de perdre du terrain par rapport aux revenus moyens et aux pensions liées à l'emploi, et le rapport entre la pension minimale et le taux de risque de pauvreté risquerait avec le temps de se dégrader.

Âge de la retraite uniforme pour les hommes et les femmes

Dans un certain nombre d'États, l'âge de la retraite diffère encore pour les hommes et les femmes. Toutefois, dans la plupart des pays concernés par la présente étude, l'âge de la retraite pour les femmes devrait être porté à celui des hommes dans le cadre d'un processus transitoire en cours. Un âge de la retraite moins élevé pour les femmes implique que les femmes, même si leur relevé de carrière ne contient aucune interruption, accumuleront un nombre moins élevé d'années de cotisation, et donc percevront des pensions inférieures à celles des hommes.

Pour pouvoir profiter de la mise en place d'un âge de la retraite identique, il est important que des possibilités d'emploi soient présentées aux femmes et que le marché du travail offre suffisamment d'emplois aux travailleurs âgés. Ces conditions sont indispensables pour que le relèvement de l'âge de la retraite des femmes soit un moyen efficace d'augmenter les pensions des femmes.

Exemple de bonne pratique portant l'âge de la retraite des femmes à celui des hommes : Royaume-Uni

Au Royaume-Uni, l'âge de la retraite des femmes est actuellement de 60 ans, celui des hommes de 65 ans. L'âge de la retraite des femmes et des hommes sera progressivement porté à 68 ans d'ici 2046. Selon les estimations des montants de retraite pour les femmes en 2050, cette mesure contribuera de manière considérable à assurer à l'avenir des pensions plus élevées pour les femmes.

Exemple de bonne pratique portant l'âge de la retraite des femmes à celui des hommes : Estonie

L'âge de la retraite des femmes est actuellement de 60,5 ans, celui des hommes de 63 ans. L'âge de la retraite pour les femmes sera progressivement porté à celui des hommes d'ici 2016. Cette mesure est digne d'attention, car l'espérance de vie est en général moins élevée dans les pays d'Europe centrale et de l'Est, ainsi que l'ont traditionnellement été les âges de la retraite. Un âge de la retraite plus élevé permettra aux femmes d'accumuler à l'avenir plus d'années contributives.

Le problème du relèvement des âges de la retraite devient encore plus important face à la tendance actuelle observée dans plusieurs pays de resserrer le rapport entre les cotisations et les prestations dans les régimes de retraite liés aux revenus. Ce resserrement représente également un désavantage pour les travailleurs disposant de revenus moins élevés, dont un grand nombre sont des femmes. Même si dans de nombreux cas, il est devenu plus facile d'accéder à une pension liée aux revenus grâce à des périodes contributives minimales moins longues, en fin de compte le caractère moins redistributif qui a été instauré dans un certain nombre de pays pourrait porter préjudice aux femmes. Par conséquent, les périodes d'emploi plus longues et le niveau de revenus revêtent une importance croissante.

Une autre possibilité d'aider les femmes à accroître leurs périodes d'emploi et à rattraper les hommes en ce qui concerne la durée de carrière consiste à supprimer un âge de retraite fixe et à instaurer un âge de retraite flexible dans le cadre d'un certain corridor. De cette manière, les femmes ne sont pas désavantagées par rapport aux hommes et peuvent individuellement choisir l'âge auquel elles souhaitent prendre leur retraite, en fonction des opportunités offertes par le marché de l'emploi.

Exemple de bonne pratique pour l'instauration d'un âge de retraite flexible pour les hommes et les femmes : Suède

En Suède, l'âge de la retraite fixe a été supprimé. Les employés ont le droit de continuer à travailler jusqu'à l'âge de 67 ans. L'âge de la retraite le plus bas est de 61 ans. Les retraités potentiels sont libres de choisir et de payer un « prix » actuariel, c'est-à-dire perçoivent une prestation de pension moins élevée s'ils/si elles souhaitent avancer leur départ à la retraite. Les retraités ont également la possibilité de cumuler emploi et retraite.

Exemple de bonne pratique pour l'instauration d'un âge de retraite flexible pour les hommes et les femmes : Finlande

En Finlande, l'âge de la retraite a été rendu flexible pour les hommes et les femmes dans les limites d'un corridor allant de 63 à 67 ans. De plus, le taux d'accumulation des années contributives de ceux et celles qui travaillent entre 63 et 67 ans a été augmenté considérablement (4,5 % au lieu de 1,5 %) pour les groupes d'âges plus jeunes, c'est-à-dire que ces années contributives pèsent plus dans la méthode de calcul de la pension. Par conséquent, le fait de travailler fournit aux femmes à la retraite une occasion de combler les lacunes qui se sont accumulées dans le cadre de leur activité professionnelle à des phases antérieures de leur carrière.

Prise en compte des périodes de soins ou de garde

Ce sont encore le plus souvent les femmes qui interrompent leur activité professionnelle ou qui travaillent à temps partiel afin de s'engager dans des périodes de soins ou de garde. C'est pourquoi la prise en compte des périodes non contributives constitue une mesure importante visant à diminuer les inégalités entre les hommes et les femmes à la retraite.

Prise en compte des périodes de maternité et de garde d'enfants

Les interruptions figurant dans le relevé de carrière des femmes sont le plus souvent liées à l'éducation des enfants.

La prise en compte des périodes de garde d'enfants a été instaurée ou élargie dans de nombreux États membres de l'UE. Cependant, le montant et la durée de ces bonifications varient considérablement dans les différents régimes de retraite liés aux revenus. De fait, elles ne remplacent que très rarement la totalité des cotisations au même titre que les cotisations issues de l'emploi antérieur. Si ces bonifications doivent servir à combler les lacunes existant dans les régimes de retraite liés aux revenus, elles devraient être sensiblement augmentées dans de nombreux pays.

Souvent, les femmes combinent la garde des enfants avec un emploi (à temps partiel), mais la possibilité de bénéficier d'une bonification ne leur est pas accordée dans tous les pays analysés dans le cadre de cette étude Ces femmes ne profiteraient pas d'une bonification octroyée uniquement si l'emploi est interrompu. Afin de ne pas dissuader les femmes de prendre un emploi et de faciliter la réintégration sur le marché du travail, des bonifications pour les périodes de garde d'enfants pourraient être accordées parallèlement à l'emploi afin de compléter les droits à pension basés sur l'emploi. Les réglementations des pays varient quant à la détermination de la personne ayant droit à la bonification pour les périodes de garde (femme ou homme ou les deux).

Exemple de bonne pratique de bonification pour périodes de garde d'enfants : Allemagne

Les bonifications pour les périodes de garde d'enfants sont accordées sur une période de 3 ans à compter de la naissance. Les bonifications sont accordées sur la base des revenus moyens et indépendamment de l'emploi, autrement dit elles peuvent être ajoutées, le cas échéant, à des cotisations issues de l'emploi, dans une certaine limite.
D'autres bonifications existent également pour les parents d'au moins un enfant qui travaillent à temps partiel. Les cotisations issues de l'emploi sont complétées de 50 % dans une limite maximale de cotisations basées sur les revenus moyens.

Dans une optique de flexibilité en faveur des femmes, certains pays comme la Suède et la Hongrie proposent différentes options de prise en compte des périodes de soins et de garde, l'ayant droit pouvant choisir l'option la plus avantageuse. Différents modes de vie et d'emplois féminins sont pris en compte.

Exemple de bonne pratique de bonifications pour périodes de garde d'enfants : Hongrie

Celui des parents qui a la garde de l'enfant peut choisir entre trois options : (a) bonifications pour périodes de garde d'enfants jusqu'à 2 ans, la base de cotisation s'élevant à 70 % du salaire antérieur (maximum de 70 % du salaire minimum double) ; (b) bonifications pour périodes de garde d'enfants jusqu'à l'âge de trois ans, les cotisations étant basées sur la pension minimale ; (c) bonifications pour périodes de garde d'enfants jusqu'à ce que le plus jeune des trois derniers enfants atteigne l'âge de 8 ans, les cotisations étant basées sur la pension minimale. Dans tous les cas, un emploi parallèle est possible.

Exemple de bonne pratique de bonifications pour périodes de garde d'enfants : Suède

En Suède, un parent a plusieurs possibilités en ce qui concerne les la prise en compte des périodes de garde d'enfants : l'option la plus favorable est automatiquement choisie lors du calcul des prestations de retraite. Les bonifications sont accordées pour 4 ans selon trois options : (a) les bonifications couvrent les pertes de revenus individuels jusqu'à un plafond de revenu maximal (env. 150 % du revenu moyen) ; (b) la bonification couvre 75 % du revenu moyen ; (c) une bonification basée sur environ 20 % du revenu moyen est ajoutée aux cotisations effectivement prélevées du salaire.

La comparaison des réglementations relatives à la prise en compte des périodes de garde d'enfants amène à tirer plusieurs conclusions. Premièrement, es femmes profitent surtout des réglementations généreuses en ce qui concerne le montant des bonifications accordées. Cependant, le montant des bonifications accordées est souvent plutôt bas. Deuxièmement, les femmes profitent également des réglementations généreuses en ce qui concerne la durée des bonifications accordées. De plus l'option qui permet d'interrompre un emploi pour longue période pourrait s'avérer dissuasive pour la reprise d'un emploi. Troisièmement, il est important de trouver des solutions flexibles qui permettent un emploi parallèle.

Les réglementations relatives à la prise en compte des périodes de garde d'enfants diffèrent considérablement entre les pays analysés en ce qui concerne la durée et le montant de la compensation. Il en est de même pour la participation au marché du travail et la durée des interruptions d'emploi, ainsi que pour le rôle de l'emploi à temps partiel. Par conséquent, l'impact des bonifications accordées pour la garde d'enfants diffère selon le régime de retraite et le type d'emploi féminin.

Prise en compte des périodes dédiées à d'autres formes d'assistance

Seuls quelques pays prennent en compte d'autres types de périodes d'assistance (p. ex. soins et assistance aux membres de la famille de santé fragile ou âgés) au sein du régime de retraite. Les femmes, qui contribuent de loin à la plus grande part de ces périodes d'assistance, sont souvent amenées à réduire leurs heures de travail ou à renoncer entièrement à leur emploi.

Les bonifications pour les périodes dédiées à d'autres formes de soins et d'assistance sont généralement moins généreuses que les bonifications pour les périodes de garde d'enfants. L'attribution de bonifications pour les périodes de soins et d'assistance est souvent techniquement compliquée et dépend d'un certain nombre de critères excluant tout sauf les emplois marginaux (comme c'est actuellement le cas au Royaume-Uni). Souvent, les réglementations ont pour objectif implicite d'aider les femmes à répondre aux critères qui leur donnent droit à l'obtention d'une pension minimale (p. ex. en Pologne). L'Autriche pourrait être considérée comme un exemple de bonne pratique, vu qu'elle accorde sur une période pouvant aller jusqu'à quatre ans des bonifications appropriées aux personnes qui prodiguent des soins aux membres de la famille à la santé fragile ou handicapées.

Exemple de bonne pratique de bonifications pour périodes de soins et d'assistance : Autriche

Les personnes qui assurent des soins à un membre de la famille de santé fragile ou handicapé peuvent verser des cotisations volontaires à un taux réduit. Jusqu'à 100 % des cotisations sont payées par l'État pendant une période pouvant aller jusqu'à 4 ans, en fonction de la forme et de l'étendue de l'assistance.

Réglementations relatives à la situation familiale

Les réglementations relatives à la situation familiale sont importantes, en particulier pour les femmes qui sont retraitées ou proches de la retraite. Les plus importantes concernent les pensions de réversion. Les pensions de réversion ont toujours constitué une mesure importante pour protéger les personnes veuves du risque de pauvreté et maintenir leur mode de vie à un niveau approprié. Ces derniers temps, certaines réglementations relatives aux pensions de réversion pour partenaires cohabitants ont été mises en œuvre, et un splitting des droits à pension en cas de divorce a été instauré dans certains pays pour faire face à l'évolution des modes de vie. Dans quelques pays également, les allocations conjugales prévoient pour les couples mariés un complément de retraite additionnel (conjugal) dans le cas seulement où l'un des partenaires peut prétendre à une pension. Les pensions à caractère conjugal ne sont octroyées qu'aux femmes mariées et risquent par la même de désavantager les femmes seules; elles risquent également de réduire les incitations pour les femmes à se constituer des droits propres à pension.

Les pensions de réversion sont des droits à pension dérivés et ne sont pas liés aux cotisations propres du survivant. Elles pourraient donc inciter à ne pas acquérir de droits à pension individuels suffisants. Les pensions de réversion jouent également un rôle important dans la réduction du risque de pauvreté, en particulier pour les femmes, lesquelles bénéficient de manière disproportionnée des pensions de réversion en raison de leur espérance de vie plus élevée et de l'acquisition de droits à pensions moins élevés.

Les prestations de réversion diffèrent en ce qui concerne le montant, les conditions d'ouverture des droits et la durée de paiement des prestations. Dans la plupart des pays, pour les partenaires survivants ayant un âge supérieur à l'âge légal de la retraite , les critères ouvrant droit à la pension fixent une barrière peu élevée pour obtenir la pension de réversion. Pour un partenaire survivant n'ayant pas encore atteint l'âge de la retraite, les critères ouvrant droit à la pension sont souvent plus restrictifs et exigeants, par exemple en ce qui concerne l'éducation d'un enfant en dessous d'un certain âge ou l'incapacité de travail.

Exemple de bonne pratique pour les pensions de réversion : Pologne

En Pologne, les pensions de réversion sont comprises entre 85 % et 95 % de la pension du défunt. Le partenaire survivant doit choisir entre sa propre pension et la pension de réversion. Une fois que les critères ouvrant droit à la pension sont remplis, la pension de réversion continue à être versée même après un remariage.

En raison de la participation croissante des femmes au marché du travail et de l'accumulation des demandes de pension individuelle, la tendance va dans le sens d'un resserrement des critères ouvrant droit à la pension de réversion et d'une réduction du montant de la pension de réversion. Ainsi, en Suède, les pensions de réversion ont été supprimées, et seuls des paiements transitoires aux personnes veuves continuent d'exister. Ce fait reflète d'une part la philosophie selon laquelle les droits à pension devraient être basés sur des droits acquis individuellement plutôt que sur des droits dérivés, d'autre part le niveau relativement élevé des droits individuels à pension en Suède.

L'évolution des structures familiales représente un nouveau défi pour les régimes de retraite, lesquels doivent s'adapter à ce changement. Dans un certain nombre de pays, un partenaire divorcé également a droit à une pension de réversion. Cependant ce droit expire si le survivant se remarie. Dans d'autres cas, une pension de réversion n'est accordée que si le survivant avait droit à une pension alimentaire. Seuls quelques pays (la Belgique, l'Allemagne et dans une certaine mesure également le Royaume-Uni) prévoient le partage (*splitting*) des droits à pension en cas de divorce.

Exemple de bonne pratique pour les réglementations relatives au divorce : Belgique

En cas de divorce, le partenaire disposant du revenu et des cotisations les moins élevés bénéficiera de ceux de son ancien partenaire. 62,5 % du revenu de l'ancien partenaire pendant la durée du mariage, moins le revenu propre de l'époux divorcé pendant la durée du mariage sont pris en compte pour la pension.

Le raisonnement qui sous-tend le partage (*splitting*) des droits à pension acquis pendant la durée du mariage repose sur la conception selon laquelle les droits à pension constituent un patrimoine commun et que tous les droits à pension acquis pendant la durée du mariage sont répartis à parts égales entre les anciens conjoints. Une telle réglementation pourrait aider les femmes qui sont sans emploi ou qui travaillent à temps partiel et ont acquis peu de droits à pension, à augmenter leurs droits à pension.

Des réglementations en matière de cohabitation existent dans un nombre limité de pays concernés par la présente étude, notamment en Allemagne, en Finlande, en Hongrie, au Portugal, en Suède et au Royaume-Uni. Dans la plupart de ces pays, les partenaires cohabitants bénéficient de prestations de survivants. Les partenaires doivent soit avoir habité ensemble pendant un certain temps (Portugal), soit avoir un enfant (Suède) et/ou être en partenariat enregistré (Allemagne, Finlande, Hongrie, Royaume-Uni). Ces règlementations reflètent l'évolution des structures familiales et protègent les femmes en cas de décès de leur partenaire. En revanche, elles n'assurent aucune protection en cas de séparation du couple cohabitant.

Les réglementations conjugales existant encore dans certains pays (p. ex. en Belgique, en Irlande, au Royaume-Uni) résultent d'une période passée où les femmes avaient rarement la possibilité d'acquérir des droits individuels à pension. Ces réglementations qui sont positives dans le sens où les revenus d'un couple sont augmentés, renferment certains effets négatifs, étant donné que le partenaire dépendant sera très probablement une femme, ce qui contribue à maintenir la dépendance économique des femmes à l'âge de la retraite.

Réglementations relatives aux régimes de retraite privés

Les systèmes de retraite privés revêtent une importance de plus en plus accrue dans l'ensemble des pays de l'Union européenne. Il est donc particulièrement important d'analyser les mesures susceptibles d'avoir un effet positif ou négatif sur l'égalité entre les hommes et les femmes dans ces systèmes. Tandis que pour les piliers par capitalisation des régimes légaux de retraite obligatoires, les questions les plus importantes concernent les tarifs unisexes et la prise en compte de périodes des soins et de garde, pour les régimes de retraite professionnels et les pensions octroyées s individuellement, une importance toute particulière est accordée à la couverture, à la participation et, une fois encore, aux tarifs unisexes. Dans certains pays des différences importantes entre hommes et femmes peuvent être observées en ce qui concerne les régimes de retraite professionnels/d'entreprise. Ce phénomène peut cependant être expliqué par le fait que les régimes de retraite professionnels sont inégalement répartis, étant plus largement répandus dans les secteurs de l'industrie avec une main-d'œuvre typiquement masculine alors qu'ils sont moins fréquents dans d'autres secteurs ou plus petites entreprises dans lesquels le femmes travaillent en surnombre. Ainsi se pourrait-il qu'il soit plus difficile pour les femmes d'accéder à des régimes de retraite d'entreprise.

La possibilité pour les femmes de participer à des plans de retraite privés sur une base volontaire pourrait être limitée par le fait que les femmes occupent plus fréquemment des emplois à temps partiel dans certains pays et ont des revenus plus bas.

Dans les régimes de retraite privés, les tarifs unisexes constituent une mesure efficace pour compenser les inégalités de revenus entre les hommes et les femmes à la retraite. Les tarifs différenciés selon le sexe entraîneraient des pensions extrêmement basses en raison de l'espérance de vie plus longue des femmes. Dans les pays qui connaissent les régimes de retraite obligatoires à caractère privé des tarifs unisexes ont été instaurés dans de nombreux cas. L'Estonie, la Hongrie la Pologne ou la Suède sont un exemple de bonne pratique en la matière. Cependant, la plupart des régimes professionnels et régimes privés volontaires fonctionnent sur la base de tarifs différenciés selon le sexe. Un exemple de bonne pratique pour les régimes privés volontaires avec tarifs unisexes est la *« Riester-Rente »* en Allemagne.

Exemples de bonne pratique pour les tarifs unisexes : Estonie, Hongrie, Pologne, Suède et Allemagne

Des tarifs unisexes ont été instaurés dans le cadre du pilier privé obligatoire par capitalisation du régime de retraite en Estonie, Hongrie, Pologne et Suède. Le cas du régime allemand de la « Riester-Rente » constitue une exception notable pour des régimes de retraite privés *volontaires* opérant sur la base de tarifs unisexes.

Dans les pays où ont été instaurés des piliers obligatoires par capitalisation à gestion privée , il est important que des dispositions similaires concernant les bonifications octroyées pour les périodes de garde et d' assistance soient adoptées pour les régimes par capitalisation de la même manière que pour les régimes par répartition, c'est-à-dire que les cotisations versées soient payées par l'État également dans les régimes de prévoyance privé par capitalisation. Faute de quoi, l'effet positif des bonifications pour les périodes de garde et d'assistance dans les régimes par répartition sera contrebalancé par des paiements de pensions moins élevés dans le cadre du pilier obligatoire par capitalisation.

Exemples de bonne pratique de bonification pour les périodes de garde et d'assistance dans des régimes obligatoires à gestion privée: Hongrie, Pologne et Suède

Les bonifications pour les périodes de garde et d'assistance sont attribuées dans les régimes privés au même taux de remplacement que dans le régime par répartition, c'est-à-dire qu'une cotisation au régime privé est payée par l'État pendant une interruption d'emploi due à des périodes de garde ou d'assistance.

Dans presque tous les régimes de retraite européens, les personnes sont encouragées à cotiser volontairement dans les régimes individuels privés (et professionnels). La participation à ces régimes est habituellement promue par des incitations fiscales. Cependant, les incitations fiscales tendent à fournir des incitations plus élevées aux groupes disposant d'un revenu élevé, lesquels ne sont pas nécessairement des femmes. Par conséquent, les aides directes pourraient s'avérer plus efficaces car incitant aussi bien les femmes que les hommes à participer aux régimes volontaires.

Exemple de bonne pratique pour des aides directes dans le cadre des régimes de retraite privés volontaires : Allemagne Une subvention générale et une allocation pour enfant sont payées par l'État dans le cadre de la *Riester-Rente* et pour compléter l'épargne individuelle. La participation est ainsi encouragée, en particulier pour les femmes qui bénéficient d'une aide double.

Montants des pensions féminines, aujourd'hui et demain

Le revenu de pension est la source de revenu la plus importante pour les femmes à la retraite. Cela étant, les récentes données EU-SILC montrent que le revenu de pension des femmes est inférieur à celui des hommes. La présente étude a examiné en détail les montants des pensions féminines dans cinq pays.[6] Ces études de cas n'ont pas seulement examiné les cas « moyens », mais aussi les emplois féminins typiques, et a tenté d'illustrer par des exemples les montants des pensions féminines en tenant compte de différents antécédents professionnels.

Les études de cas sont basées sur trois scénarios d'emploi féminins : premièrement sur un parcours de vie hypothétique sans emploi ; deuxièmement sur un parcours « discontinu » typiquement féminin (principalement dû aux responsabilités familiales) ; et troisièmement sur un scénario d'emploi à plein temps illustrant les revenus de retraite féminins après un parcours professionnel continu (sans aucune interruption). Des scénarios nationaux spécifiques d'emploi « discontinu » ont été choisis, car de fait la participation des femmes au marché du travail diffère considérablement entre les États membres de l'UE. En raison de la nature nationale spécifique des hypothèses eu égard aux biographies sélectionnées et aux différentes méthodes de calcul, il n'est pas possible de comparer les résultats entre pays.

Les revenus de retraite ont été estimés pour ces différents scénarios, d'une part pour les femmes qui sont à la retraite depuis 2008, d'autre part pour les femmes qui partiront à la retraite en 2050. L'objectif de cette analyse sur deux générations était double : d'une part mieux comprendre l'actuel rapport entre les parcours professionnels féminins et les montants des pensions féminines, d'autre part analyser l'impact de l'évolution de l'emploi et son interaction avec les réformes des retraites à l'avenir. Afin d'évaluer les montants des pensions dans les différents pays à la lumière des objectifs de la méthode ouverte de coordination visant à garantir des revenus de retraite adéquats pour tous, les montants ont été analysés en rapport avec les seuils de pauvreté et avec la pension moyenne des femmes/hommes dont le parcours professionnel est continu (sans interruption).

Les études de cas confortent l'opinion selon laquelle l'écart de retraite entre les hommes et les femmes continuera de persister à l'avenir et pourrait même s'aggraver. La principale raison sous-jacente de ces inégalités croissantes sont les récentes réformes des retraites qui ont consolidé le lien entre cotisations et prestations et qui, par ce fait, reflètent l'écart de rémunération entre les hommes et les femmes. Compte tenu des différences de retraite qui existent aujourd'hui entre les hommes et les femmes et du fait que ces différences existeront probablement encore à l'avenir, la prise de mesures visant à diminuer les inégalités entre les hommes et les femmes à la retraite revêt une très grande importance.

[6] Allemagne, Estonie, Italie, Pologne et Royaume-Uni.

Conclusion

Les différences de revenus entre les hommes et les femmes ainsi que les parcours professionnels discontinus se reflètent dans les régimes de retraite. Le niveau des prestations de retraite est principalement déterminé par l'emploi individuel. Étant donné que les salaires tendent à être moins élevés chez les femmes et que leur parcours professionnel tend à comporter plus d'interruptions, les femmes sont plus exposées au risque de percevoir une pension moins élevée. Les régimes de retraite peuvent niveler certaines différences en termes de revenus et compenser les interruptions d'activité professionnelle. Cependant, les mesures prises au sein d'un régime de retraite ne seront pas aptes à compenser entièrement l'écart de rémunération entre les hommes et les femmes, étant donné qu'elles ne contribuent que dans une certaine mesure à la constitution de droits complémentaires à pension. Par conséquent, il serait important que les régimes de retraite aboutissent à un écart de retraite entre les hommes et les femmes qui soit moins élevé que l'écart de rémunération entre les hommes et les femmes plutôt qu'à un renforcement des inégalités.

Les mesures visant à augmenter le revenu de retraite des femmes ne devraient pas dissuader les femmes d'acquérir leurs propres droits à pension fondés sur l'emploi. Il convient donc de considérer comme positifs les cas dans lesquels les bonifications octroyées pour les périodes de garde et d'assistance non seulement compensent les pertes de revenus, mais offre également la possibilité d'un emploi parallèle aux personnes qui le souhaitent – d'un autre côté, les bonifications pour les périodes de garde et d'assistance octroyées sur une période plus longue, mais uniquement si une personne n'a pas d'emploi – pourraient d'une part entraîner l'acquisition de droits à pension moindres compte tenu de cotisations/bonifications moins élevées, d'autre part rendre plus difficile la reprise d'un futur emploi approprié en raison d'une longue absence du marché du travail. De même, les pensions de réversion améliorent la situation de bon nombre de femmes à la retraite, mais dans le cas où elles constituent une dissuasion à prendre un emploi, elles peuvent renforcer les inégalités existantes entre les hommes et les femmes.

Dans de nombreux pays, l'importance des régimes de retraite complémentaires, la plupart du temps privés, est soulignée. Cette tendance pourrait présenter des effets néfastes sur les futurs montants de pension des femmes, car les pensions reflèteront les différences de revenus entre les hommes et les femmes ainsi que l'existence de droits à pension moins élevée en raison d'interruptions de travail de manière d'autant plus nette. Il est donc important que les mesures prises au sein des les régimes par capitalisation privés afin de diminuer les inégalités entre les hommes et les femmes compensent dûment les désavantages de la même manière que dans les régimes publics par répartition.

L'écart de retraite entre les hommes et les femmes persistera probablement à l'avenir et pourrait même s'aggraver. La principale raison sous-jacente de ces inégalités croissantes sont les récentes réformes des retraites qui ont consolidé le lien entre cotisations et prestations et qui, par ce fait, reflètent l'écart de rémunération entre les hommes et les femmes. En analysant l'impact des mesures visant à diminuer les inégalités entre les hommes et les femmes, il est très important d'examiner l'interaction des différentes mesures au sein d'un régime de retraite spécifique avec la structure des emplois féminins dans un pays donné. Alors que dans un pays les bonifications accordées pour les périodes de garde ou d'assistance en sus d'un emploi à temps partiel pourraient s'avérer être une mesure efficace pour améliorer les droits à pension des femmes, dans un autre pays où les taux d'emploi à temps partiel sont plus bas chez les femmes, cette mesure pourrait ne pas avoir d'impact sur les pensions féminines.

Le délai des reformes doit être pris en compte dans l'évaluation des mesures visant à améliorer le revenu de retraite des femmes. Un grand nombre des mesures décrites dans l'étude n'ont été mises en place que très récemment et ne seront accordées qu'aux jeunes générations. Une grande partie des femmes âgées ne bénéficiera pas des mesures prises actuellement ou il y a quelques années, étant donné que les réglementations ne sont pas appliquées rétroactivement.

Parmi les pays concernés par l'étude, de nombreux exemples montrent comment les mesures peuvent avoir un impact positif sur le revenu de retraite des femmes et réduire le risque des femmes à la retraite de percevoir des pensions plus faibles. Les mesures prises au sein des régimes de retraite et qui compensent au moins en partie les périodes de non-emploi, sont efficaces surtout lorsqu'elles remplacent une part importante du revenu antérieur. Les réglementations ouvrant aux femmes la possibilité d'acquérir des droits à pension plus élevés par leurs propres cotisations fondées sur l'emploi, tendent à s'avérer encore plus efficaces, tant que les femmes ont la possibilité de prendre un emploi et de décider de s'engager dans cette voie.

1. Introduction

This study on the socio-economic impact of pension systems on women was carried out between December 2007 and January 2009 by GVG (Gesellschaft für Versicherungswissenschaft- und gestaltung e.V.) on behalf of the European Commission.

The aim of the study is to improve knowledge regarding the situation of women in the pension systems of different European countries and to examine the working mechanisms of measures that offset gender inequalities. The findings of the study should help to improve understanding of how and by which measure equality between women and men can be better promoted in the pension systems of European countries.

The study consists of three parts and a concluding chapter including best practice examples:

Chapter two provides an overview of the income situation of women and men in old age in Europe. What do we know about the gender dimension of income in old age? To what extent are elderly women in Europe affected by poverty? What are the main income sources in old age and what are the differences between men and women? Are there significant differences between the countries in Europe, and if yes, what is the explanation? Chapter two attempts to answer these questions. It starts by discussing some relevant statistical issues and summarizes the main research findings on how different pension outcomes for women and men could be explained. It further provides an overview of what is known about the poverty experienced by elderly women in Europe. Chapter two then presents an analysis of the most recent EU-SILC income data regarding income differences between women and men in old age and income composition of women and men in old age.

The third chapter comprises a comparison and analysis of gender-relevant pension regulations in 15 EU Member States[7] and is based on 15 country profiles elaborated in the framework of the study. These countries represent a broad variety of pension schemes across the EU and differ with regard to the public-private mix, their financing mechanisms and their role of poverty protection and income replacement in old age. Several of the countries analyzed in this study have undergone substantial reforms of their pension system over the last decade. Many of the reforms were driven by the objective to increase the financial sustainability of pension schemes in view of ageing populations. Nevertheless, measures that were not targeted at women specifically might still have a gender impact, if women are disproportionately affected – either in a positive or a negative way. Linking benefits more tightly to contributions might for example over-proportionally affect women as women tend to rely to a larger extent on redistributive measures in a pension system. Similarly, strengthening a particular scheme within a pension system, e.g. privately managed pensions, by offering tax incentives might have different outcomes for men and women as women tend to have lower incomes. Additionally, measures specifically targeted at improving the pensions of women in the future, such as credits for child care and other forms of care, have been introduced and/or changed in recent years in most countries covered by this study. These measures vary considerably from country to country. The analysis of the gender dimension of various national pension systems is carried out alongside three important dimensions of a pension scheme – minimum income provisions, earnings-related pensions and occupational/private pensions.

[7] Austria, Belgium, Estonia, Finland, Germany, Hungary, Ireland, Italy, Lithuania, Malta, Poland, Portugal, Romania, Sweden and the United Kingdom.

Chapter four examines pension outcomes for women retiring today and the impact of recent pension reforms in connection with changing biographic and employment patterns of women on their future pension rights. It is based on five country studies conducted in the framework of the study: Germany, Estonia, Italy, Poland and the UK. These country studies are based on three basic employment scenarios for women: A scenario of a hypothetical life course with no employment; an “interrupted” scenario which reflects a female work history interrupted due to care responsibilities; and a full-time employment scenario which illustrates the pension outcomes for women with a continuous work history without any interruptions. Country-specific “interrupted” employment scenarios were chosen because the extent to which women participate in the labour market differs substantially across EU Member States. Pension outcomes have been estimated for these various scenarios both for women retiring in 2008 and for women retiring in 2050. The objective of this two-generation analysis was two-fold: to get a more in-depth understanding of the present relation between employment histories of women and their pension outcomes on the one hand, and also to analyse the impact of changing employment patterns and their interaction with pension reforms in the future on the other hand. In order to assess the pension outcome estimations for the various countries in the light of OMC objectives to ensure adequate retirement incomes for all, the scenarios have been analysed with regard to their relation to poverty lines and to the average pension of a woman or man with a full employment history. The different scenarios give a comprehensive picture of how changing life courses and reformed pension systems will impact on women. The approach allows the examination of how the current labour market trends on the one hand and the tendency to make pension systems financially sustainable and linked to labour market participation on the other hand will impact upon future gender differences in old-age income.

Finally, conclusions and best practice examples of how to offset gender inequalities in old age are presented in chapter 5.

2. Overview of Income Composition in Old Age

What do we know about the gender dimension of income in old age? To what extent are elderly women in Europe affected by poverty? What are the main income sources in old age and what are the differences between men and women? Are there significant differences between the countries in Europe, and if yes, what is the explanation for this? These are basic questions which are of particular importance to better understand the situation of women in different European pension systems.

This chapter gives an overview of the income situation of women and men in old age in Europe. The chapter is structured into six sections. Section 1 gives a short overview of income definitions and describes relevant comparative statistical data sources. Section 2 summarizes main research findings on how different pension outcomes for women and men could be explained. Section 3 gives an overview of what is known about poverty of elderly women in Europe. Section 4 and 5 are mainly based on an analysis of the most recent EU-SILC income data (Community Statistics on Income and Living Conditions): section 4 is focused on income differences between women and men in old age, while section 5 sums up results regarding income composition of women and men in old age. Finally, section 6 draws conclusions from the findings.

2.1. Income Definitions, Dimensions and Data Sources

The empirical analysis of income and income composition is fraught with many methodological challenges and requires careful interpretation of available data. Some important methodological aspects of an interpretation of income data are discussed in this section.

Income Components

Income definitions in empirical surveys vary. In order to draw meaningful conclusions, they need to be clearly defined, especially for cross-country comparisons,.[8] A very general distinction of income components in empirical surveys includes earnings, capital income, public transfers and private transfers. All components, in fact, could be relevant income components in old age as well. It is widely assumed, however, that in old age earnings play a less important role and that income in old age is substantially determined by public transfers (public pensions and other social benefits) as well as capital income (occupational and private pensions).

However, there are further income components which are difficult to measure (or are measured differently across countries) and which might play a particular role in old age. One of them is income in kind.[9] Taking into account the potential differences in weight and value

[8] Income is widely seen as one of the best and the most common concepts of measuring economic well-being. Income, however, is just a proxy for economic well being, in particular in old age. Consumption and wealth are other important indicators to be taken into account. Wealth could be a particularly important income source if accumulated during working life (income from interest and dissaving). Influential work in this area of conceptualising income was carried out by the Expert Group on Household Income Statistics, the so-called Canberra Group, which published their findings in a report in 2001, see Canberra Group (2001).

[9] Home production (such as e.g. small-scale subsistence farming) might contribute considerably to economic well-being in certain countries but is rarely covered in income surveys. Furthermore, the system and structure of health and social services varies across countries. These services might provide income in kind (e.g. housing, clothing, meals, and free public transport) which affect the

of non-monetary income in old age, it is important to interpret statistics carefully and analyze what kind of income components are actually covered or not covered, but might also play an important role to assess the income situation of an individual / a household.

International comparisons of income surveys are challenged by the fact that surveys might differ not only regarding the income components included, but also in the attribution of components to certain sub-categories. This is particularly relevant for income composition in old age. Different kinds of pensions (public, occupational and private), for example, are attributed in various ways.[10] Therefore, the approach taken in this study is to accompany the international comparative analysis of income components in old age with a closer look at what income is covered by the categories in order to have a better understanding of potential differences.

Household and Individual Income

The income analysis of women and men in old age requires information on both household and individual income.

The household income allows the assessment of the overall resources available. It is generally assumed that resources are shared within a household, and that household members benefit from so-called economies of scale.[11]

However, from a gender perspective, individual income is particularly relevant. Even if – in theory – equal sharing of resources is assumed, this might not realistically reflect intra-household distribution.[12] Individual income gives information on the income position of men and women and might influence bargaining power within a household. In addition the income situation of a woman might change considerably when her spouse dies.

Income surveys usually focus on household income and subsequently total household income is equivalized, i.e. the number and age of household members is accounted for and attributed to the individual household members. There are different calculation methods to weight the income,[13] but the general problem is that the concept of equal sharing of resources might overestimate the income of women and that the actual number of poor

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economic situation of the elderly. Finally, imputed rent, i.e. the calculation of the value of free housing, is an important aspect when measuring income. It is often assumed that real estate is purchased during the active employment period and that elderly can live in their paid-up real estate. If this is the case, imputed rent would be an important income component of elderly women and men which would need to be considered. The relevance of this hypothesis, however, might vary from country to country, as there are considerable differences in the percentage of households across the EU benefiting from self-occupied housing (Whitten/Kailis 1999).

[10] Occupational pensions are partly considered as income from work, partly as private pensions. Universal means-tested benefits may be part of a public pension system or administered by a separate system and thus treated separately in surveys.

[11] Economies of scale are the cost advantages a multi-person household can benefit from, e.g. the joint use of larger investment goods (car, washing machine), lower rent etc.

[12] See Findlay and Wright (1994).

[13] The scale currently used by the OECD assigns a weight of 1 to the head of household, 0.5 to additional members 14 years and older and 0.3 to members under 14 (so-called modified OECD equivalence scale). EU-SILC income data is equivalized according to this modified OECD equivalence scale. There are many other equivalence scales in use, including the "old" OECD scale with a value of 1 to the first household member, 0.7 to each additional adult and 0.5 to each child and the equivalence scale used by the Luxembourg Income Study (LIS), which equivalizes income by the square root of the number of persons in the household

women is larger than household income data reveals.[14] Figures on individually attributable income for women and men, i.e. those income components which can be linked to an individual person within a household, can be derived from EU-SILC cross-sectional data[15] and will be presented below in section 4.

Gross and Net Income

A further important distinction which has to be made with regard to income in old age is the comparison of gross and net income. Old-age pensions and, more generally, income in old age is treated quite differently in the various tax regimes across Europe, as is the case with the payment of other duties such as social security contributions. As there is trend in many European countries to impose higher taxes and other duties on old-age income in order to cope with rising age-related costs, e.g. for health and long-term care, the distinction between gross and net income in old age and the analysis to what extent taxes and other duties are due will become even more important. In the comparisons of EU-SILC data between different countries in this study it is considered whether the figures relate to gross or to net income.

Comparative Data Sources

The most important sources of data for income in general and income of women and men in old age in the European context are EU-SILC (Community Statistics on Income and Living Conditions) and the LIS (Luxembourg Income Study).[16]

EU-SILC is the main source of information for data on income and living conditions on EU level.[17] It aims at collecting micro data on income, poverty, social exclusion and living conditions both for cross-sectional and longitudinal comparisons. In 2004 EU-SILC included 13 Member States. From the survey year of 2005 onwards it covers the EU-25 countries, while Bulgaria and Romania have been included since 2007.[18] Data is available on a yearly basis with harmonized reference periods.

[14] Different methods of equivalizing income also bear the risk of non-comparable data. In this respect, harmonized data sets such as EU-SILC or the LIS database give much more valuable information from a comparative perspective, as they rely on harmonized data.

[15] Cross sectional data is data collected at one point of time, in contrast to time series or longitudinal data which observes an unit over various points of time.

[16] Another comparative data source is the Survey of Health, Ageing and Retirement in Europe (SHARE), which is a cross-national database of micro data on health and socio-economic status of the elderly (defined as 50 and older) (Börsch-Supan and Jürges 2005). Data collected include mainly information on health and economic and social status but also on psychological variables. Income data is collected following a similar set of categories of income as EU-SILC. In contrast to other comparative data sources, SHARE also includes information on wealth and thus offers the possibility to combine data on income and wealth. SHARE data is freely available to researchers.
Mention should also be made of the Cross-National Equivalent File (CNEF), which is an ex-post harmonized country panel data set. It comprises five countries – Australia, Canada, Germany, the UK and the US – and builds on surveys carried out in these countries. Data has been available since 1980 for the US and Germany, with the UK and Canada following over the years and Australia having only recently joined. CNEF primarily provides information on income, employment and health. Access to data is possible for researchers.

[17] The predecessor of EU-SILC was the European Community Household Panel (ECHP). It was carried out in 8 waves from 1994 to 2001 – data availability is limited to the EU15 countries. The ECHP expired in 2001. ECHP provided for an input-harmonized (i.e. harmonized questionnaires to gather data) national household panel, EU-SILC is output harmonized (i.e. harmonized variables which can be derived from various data sources in the Member States) and benefits from a shorter lag between data collection and publication as well as larger sample sizes.

[18] Norway and Iceland have also been included in EU-SILC since 2005, and Turkey and Switzerland since 2007. Participation in EU-SILC is binding for EU Member States as laid out in Regulation (EC)

Gross income components collected by EU-SILC include employee income, self-employment income, imputed rent (from 2007 onwards), property and capital income, current transfers received, other income received, interest paid on mortgage and current transfers paid. It thus follows a wide definition of income. Categories of income differ depending on whether personal income or household income is being measured. Pensions are dealt with under various sub-sections, and one major challenge is that once a person has reached the standard retirement age no distinction is made between different sorts of pensions such as disability, old-age or survivors' pensions as well as all sorts of pensions under compulsory coverage, i.e. mandatory government schemes or mandatory (or collectively bargained) employer-based schemes. Therefore, at present there are limited possibilities to obtain detailed information on all income sources from EU-SILC data once a person is retired, in particular on the role of different public pensions (disability, survivors' or old-age pensions) in the overall income composition for retirees.

The Luxembourg Income Study (LIS)[19] is a cross-national data archive and comprises data from 31 countries worldwide with a focus on OECD countries.[20] It does not cover all EU Member States. LIS harmonizes and standardizes the micro-data from the different national surveys in order to facilitate comparative research. The LIS Database includes income micro data as well as some labour market and demographic data. LIS has recently been complemented by the Luxembourg Wealth Study (LWS)[21], a database containing harmonized wealth micro data. Information on pension income is detailed and allows to distinguish between different forms of public, occupational and private pensions also after a person has reached retirement age.[22]

Apart from the fact that LIS does not cover all EU Member States, one further crucial difference between EU-SILC and LIS is that EU-SILC provides both cross-sectional and longitudinal data, whereas LIS provides cross-sectional data only. EU-SILC is a relatively "young" survey whereas LIS data has been collected over the course of more than 20 years, thus LIS has a longer track record of ex-post consistency check of data.

National Data Sources – Administrative Data

On a national level two kinds of data sources have to be distinguished – administrative data and data from national surveys.

Administrative data on pension income is available in nearly all countries. There is a broad range of administrative institutions providing data on pension and retirement income in the countries of this study.[23] A best practice example of administrative data is, for instance,

No 1177/2003 of the European Parliament and of the Council of 16 June 2003 concerning Community statistics on income and living conditions. The legal framework of EU-SILC is further defined by regulation of the European Parliament and of the Council (EC) No.1553/2005, dated 7 September 2005, amending Regulation (EC) No.1177/2003, several implementing Commission Regulations and yearly Regulations on the EU-SILC ad-hoc modules.

[19] Further information on LIS is available on www.lisproject.org

[20] There are six waves from the early 80s up to 2004/2005. However, for a large part of the countries the reference year for latest available data is 2000.

[21] http://www.lisproject.org/lwstechdoc.htm

[22] Old-age pension variables have been re-organized in the LIS data set in 2007 in order to account for changing pension rules and structures and the boundaries between private and public provisions.

[23] For Austria: www.sozialversicherung.at; Belgium: www.socialsecurity.fgov.be; Estonia: Estonian National Social Insurance Board, www.ensib.ee; Finland www.etk.fi; Germany: www.drv-bund.de; Hungary: www.onyf.hu/en, Hungarian Financial Supervision Authority http://english.pszaf.hu; Ireland: http://www.welfare.ie; Italy: www.inps.it; For Lithuania:_ http://www.sodra.lt/en; -; Insurance Supervisory Commission of the Republic of Lithuania http://www.dpk.lt/en; The Securities Commission of the Republic of Lithuania, http://www.vpk.lt/en; Malta: www.mfss.gov.mt; Poland: Social Insurance

Sweden, where statistical information on pensions and pensioners is provided on regular basis.

Administrative data is produced while administrating the social security system and generally includes the number and the amounts of different kinds of pensions paid, the number of insured persons, the number of pensioners and new entrants to the pension scheme and – in the case that individual pension accounts are registered – the development of contribution payments and employment gaps of individually insured persons over their lifetime. Administrative data plays an important role in the ex-post consistency check of household surveys.

With regard to the issues addressed in this study, administrative data is a very important data source for public pension income in old age on a national basis; however, there is little possibility for cross-country comparisons due to diverging definitions and different approaches. In addition, with a growing trend towards diversified pension systems, the number and relevance of complementary institutions is increasing. For example, in some countries, mandatory supplementary pension schemes are administered or co-ordinated with the public scheme and joined data is available. In other countries, however, a substantial part of the supplementary scheme is administered by the employers and comprehensive comparative data is rarely available. For mandatory funded schemes, supervisory agencies are sometimes a valuable source of administrative data; however it is often difficult to combine their information with that of other public administrations.

In general, the consolidation of administrative data from various institutions is often difficult and does not allow merging information for an individual/a household. Such consolidated data can usually only be obtained by empirical surveys.

National Data Sources – Surveys

In addition to these administrative data sources there are national surveys which give further information on income and income composition in old age of men and women in a national context. Due to their nature, they do not allow for cross-country comparative analysis, instead providing more insight into the income situation and income composition of women and men in a specific country.

Two specific best practice examples from the countries covered in this study are the English Longitudinal Study on Ageing[24] and the German surveys ASID (Alterssicherung in Deutschland) and AVID (Altersvorsorge in Deutschland).[25]

The English Longitudinal Study on Ageing (ELSA) is a multi-disciplinary survey that has been carried out since 2002 and is now in its fourth wave. ELSA covers all aspects of ageing including pension arrangements. The sample consists of individuals aged 50 and over. The objective is to understand the interrelations between health, retirement, determinants of the economic position in older age, household and family structures, as well as the transfer of resources. This broad approach allows for an analysis of complex determining factors of income and wealth of men and women in old age and helps understanding of how a pension scheme operates in the context of society.

Another best practice example is provided by the German surveys ASID (Alterssicherung in Deutschland) and AVID (Altersvorsorge in Deutschland). ASID has been carried out since

Institution www.zus.pl; Polish Financial Supervision Authority www.knf.gov.pl. Portugal: http://www2.seg-social.pt; Romania: http://www.cnpas.org, Sweden: www.forsakringskassan.se; United Kingdom: www.dwp.gov.uk.

[24] See http://www.ifs.org.uk/elsa/

[25] See http://www.altersvorsorge-in-deutschland.de/ and http://www.alterssicherung-in-deutschland.de/.

1986 and surveys income components on household and individual level for those aged 55 and older. It allows the linking of household and individual information, and the differentiation between personal and derived pensions for widows and widowers. Since the survey has in the meantime been carried out five times, it allows for an analysis of income composition development over time. AVID is a survey of retirement pension schemes in Germany and aims to identify the type and amount of entitlements to old-age income for individuals and married couples, i.e. for pension-insured persons between 40 and 60 years of age. This survey has been carried out twice, in 1998 and 2005, and reveals detailed insight into the future income composition of women and men in old age. Both surveys give a detailed insight into income composition and the role of public, occupational and private entitlements.

2.2. Pension Differences between Women and Men

As it will be shown below in section 2.5., income from pensions is the most substantial source of income for women in old age. However, while the importance of pensions for women is greater than for men, the absolute pension amounts women receive are lower than those of men. This is also the angle most research is taking: What are the explanations for these differences in income in old age?

Even if a comprehensive analysis of income differences in old age on an empirical and comparative basis is still missing, there is substantial comparative analytical research on links between pension system design and income of women in old age. Studies on the impact of pension system design on women have increasingly been carried out since the beginning of the 1990s. It was only then that welfare state retrenchment shed new light on the different impact of social protection systems on women and men. In the decades before, the overall extension of social protection systems in many cases concealed the fact that the outcome of the welfare state, and in particular of pension systems, is different for women than for men.[26]

The reasons identified for the gender pension gap are as follows:

- women are more likely to be low wage earners,
- women are more often in part-time employment and
- women are more likely to have interrupted employment records.

Labour market participation and the gender wage gap have an important impact on the income of women (Leitner 2001; James, Cox Edwards and Wong 2003; Zaidi 2007; Frericks, Maier and de Graaf 2006; Vlachantoni 2006; Frericks and Maier 2007). In all countries covered by this study, participation of women in the labour market is lower than that of men. Although the participation rate of women has been growing in the past and the gap between the participation rate of women and men is narrowing within the EU, the average working life of women is shorter than that of men. In addition, women work part-time more often than men and there is also an average gender pay-gap of about 15% between women and men. All this negatively affects the pension income of women in contribution-related pension schemes, i.e. many first-tier pension schemes and all second and third-tier schemes.

[26] The discussion on gender impact of social protection systems has been further stimulated by a classification of welfare states in Europe (Esping-Anderson 1990) into social-democratic, conservative-corporative and liberal welfare states and a subsequent differentiation with regard to gender differences (Lewis 1992; Ostner/Lewis 1995; Sainsbury 1999), which distinguish countries with a strong, moderate and weak “breadwinner model”. These models subsidize married couples and provide incentives for the women to take over family responsibilities with no or low labour market participation to different degrees.

Furthermore it is argued that calculation norms in the pension formula such as minimum contribution periods and number of contributory years used as the basis for benefit calculation are not gender neutral, but put women with lower earnings and shorter contributory periods at a disadvantage – and thus might even increase existing inequalities in the labour market (Dion 2008; Frericks and Maier 2007).

The literature discusses widely different measures to improve pension income of women as well as their effectiveness:

A crucial issue in the discussion on effective measures to improve pension income of women is to what extent existing problems can be solved by an increased participation of women in the labour market and to what extent the pension system itself should be redistributive and counterbalance income inequalities of women and men in the labour market. Frericks and Maier (2007) argue that increased labour market participation of women will not be sufficient to counteract women's lower pensions because structural shortcomings and gender distinctions will remain as long as caring functions are performed by women and are not recognized adequately in the pension scheme. Zaidi (2007) on the contrary argues that the most effective policy to combat poverty among older women is to increase the participation of women in the labour market and to reduce the gender pay-gap.

Some authors argue that redistribution in general, flat-rate benefits or topping-up benefits through a minimum pension guarantee are effective measures to prevent women from poverty in old age. Siegenthaler (1996) argues based on a country-by country analysis of the US and five European countries[27] that a minimum benefit provided to all would be the most effective – however costly – instrument to combat poverty in old age for women. A further effective instrument from his point of view is the provision of means-tested benefits that top up benefits to an adequate level.

Another controversial issue for discussion is whether lower retirement age is in favour of women or not. Arguments supporting a lower retirement age for women include the assertion that women take care of unpaid family work, both for children and increasingly for the elderly as well, and should be compensated for this by earlier access to the pension system. On the other hand it is argued against the background of recently implemented pension reforms that increasing retirement age for women to the level of that of men is beneficial. A low retirement age will lead to low pension claims and put women at risk of poverty (Fultz and Steinhilber 2003). In pension systems with a strong contribution-benefit link and little redistribution the preference for early retirement might decrease anyway. An analysis for Latin America carried out by James, Cox Edwards and Wong (2003) suggests that for private pension schemes with strong links between contributions and benefits an equal retirement age is very important. Their simulations show that an extension of the retirement age by five years increases the monthly payment of benefits to women by 50%, due not only to the longer period of contribution payments but also to the shorter period of pension payments. However, due to overall existing wage gaps, benefits reach only 65-75% of those of men even for women with uninterrupted employment records. The authors conclude that policies regarding retirement age are very important for private schemes, but private pension benefits for women will be far lower than for men.

Frequently care credits, i.e. registered contribution periods which are not based on employment periods but on periods of taking care of children and other dependents, are cited as valuable and justified compensating mechanisms to close gaps in the pension biographies of those taking care of children or other dependent family members. Depending on their actual design, it is sometimes emphasized that care credits might represent a disincentive to work and have long-term negative effects because women have difficulties re-entering the labour market after a longer career interruption (World Bank 2004). It is however seldom

[27] France, Germany, the Netherlands, Sweden and Switzerland.

discussed to what extent they can actually contribute to closing the gender pension gap. Frericks and Maier (2007) argue that care credits are inadequate particularly in those countries that rely on several schemes, because credits are usually limited to the public scheme.

With regard to the tariff design in private pension schemes, unisex tariffs are debated. James, Cox Edwards and Wong (2003) argue that unisex tariffs are not the most effective instrument to achieve social goals, as they redistribute from men (both high and low income) to women (both high and low income) and create distortions of the insurance market. Müller (2006) argues that women and men with a comparable employment history should receive an equal monthly (and not an equal accumulated lifetime) benefit. Zaidi (2007) also argues that gender-neutral annuity rates are to be applied in order to guarantee equal reward for equal contribution.

Another field of research analyzes the impact of pension reforms on women and men:

Recent pension reforms in Europe including the shift to more diversified pension schemes are expected to increase the gender pension gap. This is highlighted in the horizontal analysis of the Joint Report on Social Protection and Social Inclusion 2006 and also discussed in the context of various cross-national studies. Considerable analysis has been carried out with regard to the impact of pension reforms on women in Europe particularly with regard to the reforms implemented in Central- and Eastern Europe (Fultz, Ruck and Steinhilber 2003; Steinhilber 2004).

Fultz et al. (2003) and Fultz (2006) provide an analysis of the gender impact of pension reforms in the Czech Republic, Hungary, Poland, Romania and Slovenia. They conclude that the transformation brought greater losses of pension protection for women compared to men. Steinhilber (2004) analyzes gender impact of Central and Eastern European pension reforms in two dimensions, with regard to the access to benefits and to the conditions determining benefit levels. This is illustrated in the example of the Czech Republic, Hungary and Poland. She argues that current pension reforms have weakened women's pension protection because of persistent gender inequalities in labour market participation and an unequal division of caring roles. Pension reforms are characterized by introducing a closer link between contributions and benefits and increased individualization of pension claims and thus affect women, who tend to have lower income and more interruptions in their working career, to a larger extent.

Frericks and Maier (2007) state that in all European countries public schemes are the most important ones especially for women because coverage of occupational and private schemes is lower and benefits are usually lower as well. The retrenchments of public schemes over the last decade in most of the European countries, which are supposed to be at least partly replaced by pensions from occupational and private schemes, thus affect women to larger extent. The authors argue that tax incentives are usually more beneficial for high-income earners, thus not in favour of women and should be replaced by subsidies in order to increase voluntary participation of women in supplementary schemes. Frericks, Maier and de Graaf (2006) compare pension reforms in the Netherlands and Denmark and their gender impact. They conclude that a shift from basic to occupational pensions in those countries have had a negative impact on women pensions.

Simulations on the effects of pension reforms on women are contained in Stahlberg et al (2006) for Sweden and in Balcerak-Paradowska et al (2003) for Poland. The results imply that there will be a growing gender pension gap in those countries because of the stronger contribution-benefit link in those systems. James, Cox Edwards and Wong (2003) provide an empirical analysis for Chile, Mexico and Argentina in which they construct "hypothetical" biographies of women and men with proxy lifetime employment, wage and contribution histories. The authors conclude that the relative income position of women receiving old-age benefits has improved compared to the situation before the reform. They stress however that missing indexation mechanisms could affect very old women in particular.

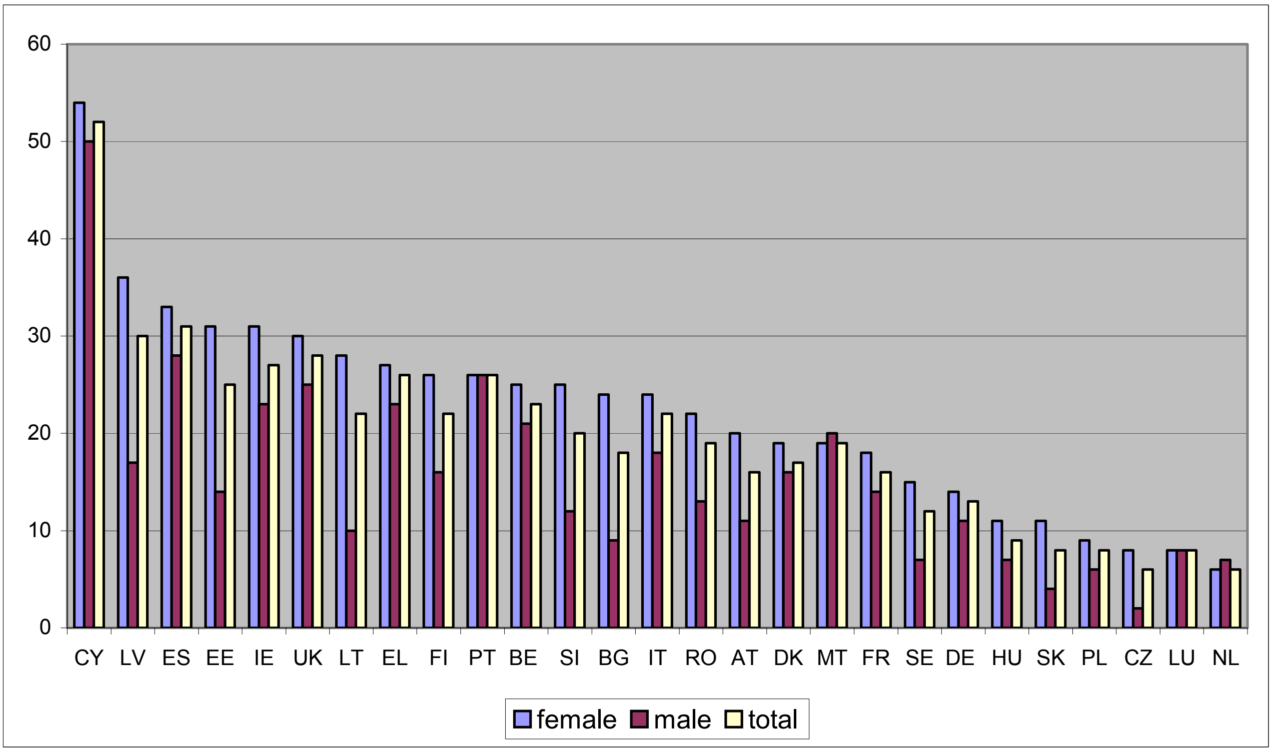
The income of women in old age is not determined solely by (public) benefits and labour market participation. When identifying the reasons for lower income of women in old age the issue of financial literacy of women, their awareness and ability to assess financial needs in old age and their knowledge of adequate financial products for old age provision are matters for discussion.[28] Zaidi (2007) argues that it is important to improve financial literacy among women, which will support them in making informed choices with regard to labour market supply and participation in private schemes.

A comprehensive analysis of income differences covering public and private pensions and additional income sources might help in achieving a more detailed understanding of the income situation of women in old age and the measures intended to combat income inequalities.

2.3. Poverty of Women in Old Age

Recent analysis of the income situation of elderly women in the EU reveals that, throughout Europe, women are more affected by poverty than men. The following figure with at risk of poverty rates of elderly women and men is based on equivalized disposable income from EU-SILC data, i.e. household income is weighted by the number and age of household members.[29]

Figure 1: At risk of poverty rate, 65 years and over, (cut-off point: 60% of median equivalized disposable income after social transfers), 2006



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[28] Financial literacy of women is not yet discussed in much detail across Europe, but in the US there is a growing quantity of literature on the financial literacy of women (Sunden and Surette 1998; Lusardi and Mitchell 2008).
[29] Compare section 2.1. above, household and individual income.

Source: Eurostat. MT: revised data; PT: provisional data. Income reference period 2005, except UK (2006) and IE (moving income reference period 2005-2006.). Extraction date: 02.01.2009.

In most of the countries, the at-risk-of-poverty rate of elderly women is higher than that of men. In more than half of the Member States, the at-risk-of poverty rate of women above 65 years is more than 20%. Poverty rates of women in the EU have in fact worsened over the last years: the average rate for the EU 25 has increased slightly from 19% in 1999 by two percentage points to 21% in 2006. The poverty rates of women above 75 years of age are even higher, with an average of 24% (EU 25) and 26% (EU 15).

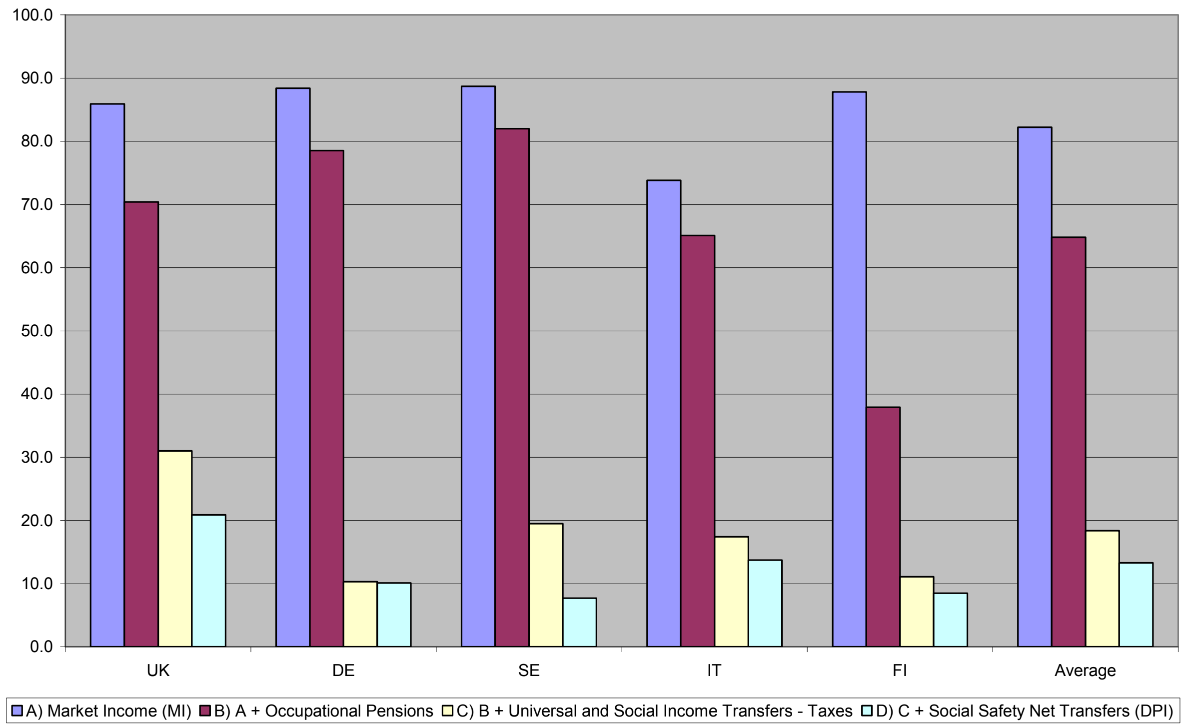
These recent Eurostat figures are confirmed by substantial quantitative work analyzing poverty and income of older women based on the LIS dataset which was carried out in the past (Smeeding 1991; Döring, Hauser, Rolf and Tibitanzl 1994; Stapf 1994; Smeeding and Saunders 1998). Most recently Smeeding and Sandström (2005) and Gornick et al (2006) have provided cross-national analysis.[30] One finding is that poverty rates of the elderly decreased from the mid-80s to the mid-90s in many European countries. Poverty of the elderly was considered to be a problem solved. This trend has reversed since then in many European countries and poverty rates of elderly women have increased again, some reaching the original or an even higher level than before (Choi 2006). A second major finding of this research is that the older age groups among the aged, i.e. those who are 75 years or older, are even more affected by poverty. This finding is particularly relevant to women due to their higher life expectancy.

Smeeding and Sandström analyze poverty rates and antipoverty effects of social transfers (separate for social insurance and social assistance) by comparing income before tax and transfer with the disposable income for households with a head of 65 and over. Their analysis covers five countries (Germany, Finland, Italy, Sweden and the United Kingdom) and is based on data from 1998 to 2000 from the LIS database. They find that older women in general, older women living alone, and the oldest (75+) women living alone do progressively worse with regard to poverty rates in almost every country; however in some countries (Finland, Sweden) their situation is better than in others. They argue that recent social security reform proposals rather neglect these findings or only consider benefit changes for elderly widows and survivors and do not take into account other risk groups such as divorcees or never-married women. With regard to the impact of social insurance and social assistance on poverty their findings reveal that – not surprisingly – the design of the pension system and the relative importance of the different pillars determine their contribution to poverty alleviation. In Germany and Sweden, with a large first pillar, the antipoverty effect of social insurance programs is considerable, while in countries with smaller public pillars such as the United Kingdom and United States the antipoverty impact of social insurance is lower. The authors further identify differing impact of social assistance regulations on poverty reduction in the countries under review. While social assistance systems with high participation rates which are well targeted to those in need and provide sufficient income support to lift beneficiaries out of poverty seem to contribute considerably to the reduction of poverty, this effect is much lower in other countries with less well targeted systems.

[30] As databases usually contain information on the household level of income and the income is not attributable to the individual household members, most research deals with elderly women living alone. It is supposed nevertheless that this group is at particular risk with regard to the incidence of poverty. However, it is emphasized throughout the literature that it would also be very important to understand intra-household inequalities relative to women's own partners or others with whom they share their home in order to learn more about the financial well-being of women who do not live alone.

The following two graphs illustrate the role different income components play in poverty-prevention. The pictures illustrate what share of households would be considered as poor[31] if they would have to rely only on market income (A), market income and occupational pensions (B), market income, occupational pensions and social insurance transfers (C) or market income, occupational pensions, social insurance transfer and social assistance payments (D).[32] While the first picture covers all elderly households, the second looks at female-headed households only.

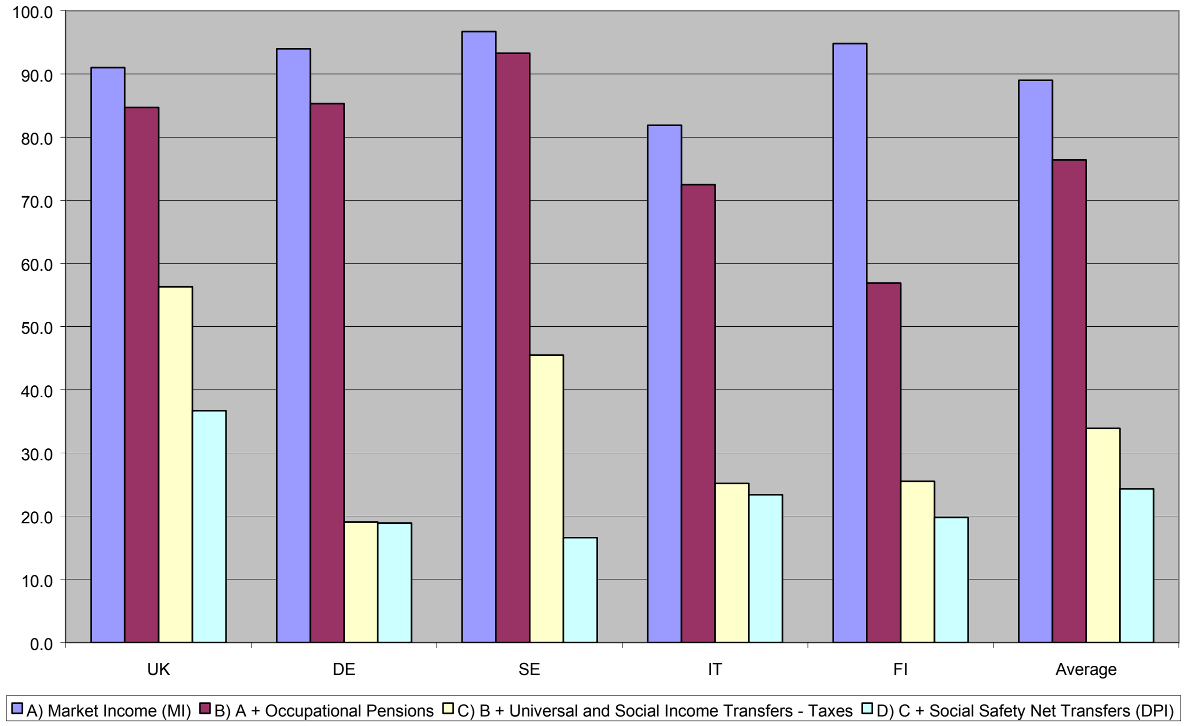
Figure 2: Poverty Rate for all Elderly Households by Income Definition



Source: Smeeding/Sandström, 2005, Table 2.

[31] The poverty threshold used here is 50% of the median income.
[32] Market income is understood as earnings, income from investment and private transfers; occupational pensions include private and occupational pensions. Universal and social income transfer includes all forms of universal and social insurance benefits minus income and payroll taxes, and finally social assistance is defined as all forms of income tested and asset tested benefits targeted at poor people.

Figure 3: Poverty Rate for Female-Headed Elderly Households by Income Definition



Source: See figure 2.

It is evident that occupational pensions play a much larger role in poverty reduction in Finland than in the other four countries. The anti-poverty effect of social insurance is highest in Germany, whereas social assistance payments are much more important in the United Kingdom and in Sweden out of the five countries studied.

Comparing female-headed households with all pensioners' households, the role of market income and occupational pensions is less important in all five countries. Social insurance transfers and social assistance transfers are the most prominent income sources reducing poverty of female-headed households. However, in all countries poverty rates are considerably higher for female-headed households than for all pensioner households.

2.4. Income Differences in Old Age – the Gender Gap

Empirical analysis of income differences between women and men is largely focused on women and men in employment. The gender pay gap, i.e. the differences in labour income between women and men, is a widely discussed indicator of gender discrimination in the labour market.[33] The European average gender pay gap amounts to almost 15%, i.e. women in Europe earn on average 15% less than men.[34]

Less attention has been paid so far to the income differences between women and men in old age. Therefore, an analysis of EU-SILC income data for women and men above 65 years of age has been carried out in this study in order to get a better understanding of income

[33] European Commission (2006c).
[34] Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions: Tackling the pay gap between women and men (2007).

differences in old age. The latest EU-SILC cross-sectional data is available for 2006 (income reference period 2005). The following section is based on EU-SILC extractions containing sex- disaggregated data on individually attributable income and equivalized income for women and men. While equivalized income statistics are based on the concept of equal sharing of resources within a household and thus might overestimate the actual individual income of elderly women, individually attributable income is determined by those income components which can be linked to an individual person.[35]

The table on the following page illustrates the absolute amount of median equivalized disposable income, i.e. income figures based on the concept of equal sharing of resources, for women and men in the EU Member States.[36]

[35] See above section 2.1. – individual and household income.
[36] EU-SILC data for Romania and Bulgaria is only available for 2007.

Table 1: Median equivalized net income in € for women and men aged 65 years or above in the EU, 2006

	Women	Men	Total	Ratio of women's income in comparison to that of men
LU	28,801	28,363	28,492	101.54
MT (1)	7,281	7,539	7,384	96.58
DK	16,632	17,286	16,878	96.22
BE	12,699	13,311	12,933	95.40
CY	8,405	8,833	8,587	95.15
UK	14,419	15,251	14,762	94.54
DE	14,266	15,117	14,596	94.37
IE	13,711	14,615	14,050	93.81
PT (2)	5,850	6,248	6,029	93.63
ES	8,533	9,160	8,792	93.16
FR	14,138	15,241	14,505	92.76
CZ	3,954	4,263	4,088	92.75
IT	12,460	13,665	12,967	91.18
EL	8,110	8,907	8,400	91.05
EE	2,608	2,871	2,718	90.84
SK	2,772	3,070	2,890	90.29
LV	1,748	1,953	1,812	89.50
HU	3,511	3,951	3,669	88.86
AT	16,122	18,181	16,972	88.67
PL	3,137	3,579	3,291	87.65
SI	7,588	8,703	8,077	87.19
FI	13,225	15,340	14,060	86.21
SE	13,581	16,339	15,140	83.12
LT	1,854	2,234	1,983	82.99

Source: Eurostat, EU-SILC cross-sectional data 2006, income reference period 2005, except UK (current year) and IE (moving income reference period.) Ratio: own calculations, rounded on two digits. BG and RO: data is not available.
(1): Revised data; (2) Provisional data
Extraction date January 2nd 2009

The table illustrates that there is a wide range of disposable income for the elderly in the EU[37] and that throughout the EU income is lower for women than for men except in Luxembourg. The largest absolute and relative difference between income of elderly men and women exists in Lithuania, where the disposable income of women reaches only 83% of that of men. In many other countries the disposable equivalized income of women is well above 90% of that of men. As these figures are calculated on the basis of a concept of equal sharing of resources[38], the differences might be explained by the fact that there are more single elderly

[37] It should be taken into account that the absolute amounts above are expressed in euros and do not reflect purchasing power in the different countries.
[38] As mentioned above, the equivalence scale used for Eurostat data assigns a weight of 1 to the head of household, 0.5 to additional members 14 years and older and 0.3 to members under 14. Total

women households with lower income, which impact on the median of the female disposable income.

An analysis of the individually attributable income[39] illustrates that in fact attributable income differences between men and women are much higher.

Table 2: Median sum of individually attributable income in € for women and men aged 65 years or above the EU, 2006

	Women	Men	Total	Ratio of women's income in comparison to that of men
EE	2,104	2,224	2,174	94.60
LV	1,292	1,374	1,308	94.05
SK	2,288	2,472	2,373	92.57
DK	16,641	18,184	17,092	91.51
CZ	3,123	3,468	3,264	90.04
HU	2,887	3,386	3,016	85.24
LT	1,453	1,759	1,557	82.61
PL	2,858	3,757	3,135	76.08
FI	11,199	14,978	12,358	74.77
IE	9,672	12,974	10,071	74.55
PT (1)	3,570	4,840	4,172	73.76
FR	10,934	15,760	12,998	69.38
SI	5,024	7,293	5,863	68.89
SE	13,811	20,379	16,704	67.77
UK	9,358	14,431	11,435	64.85
CY	4,845	7,666	5,815	63.21
NL	11,736	18,566	13,934	63.21
ES	5,495	8,773	6,524	62.64
IT	7,865	12,805	10,062	61.42
BE	9,000	15,168	11,856	59.34
LU	19,641	35,972	28,764	54.60
AT	11,336	21,238	15,804	53.37
EL	4,079	8,260	5,700	49.38

Source: Eurostat, EU-SILC cross-sectional data 2006, income reference period 2005, except UK (2006) and IE (moving income reference period 2005-2006). BG, DE, MT and RO not included. 1 Provisional data. Extraction date March 28th, 2008.

weighted household income is distributed equally among household members, the sum of net amounts allocated to the household members is thus higher than the total household income. The choice of the equivalence scale impacts on the outcome.

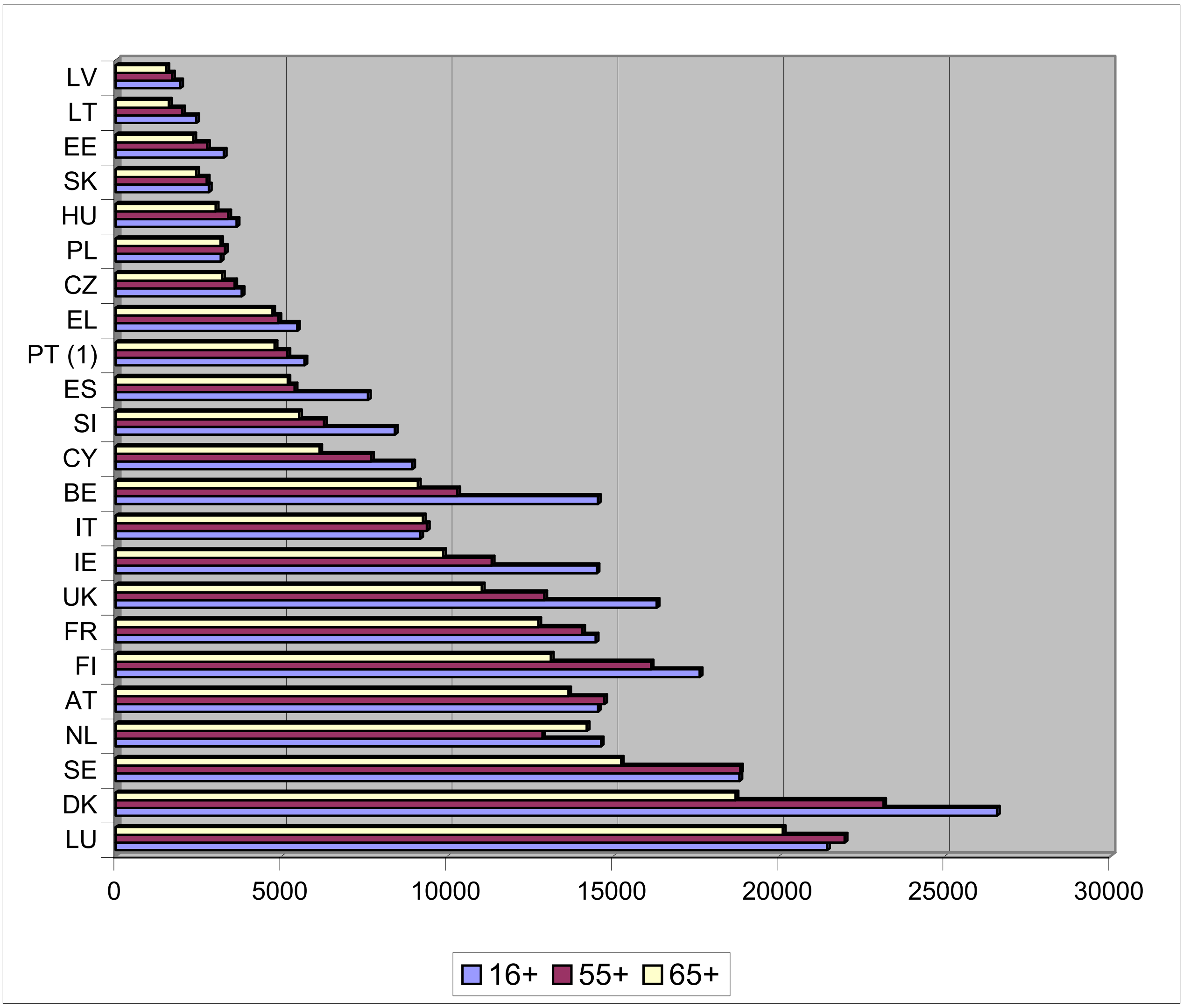
[39] Individually attributable income is considered to be employee cash or near cash income; non-cash employee income; cash benefits and losses from self-employment; unemployment benefits; old-age benefits, survivor's benefits; sickness benefits; disability benefits and education-related allowances. Individually attributable income does not include components collected at household level such as income taxes and means-tested benefits paid at household level. Individual income is collected as gross components with some exceptions: For individually attributable income, gross components are used where these are available. Otherwise net components are used. Gross is used for: BE, CZ, DK, EE, IE, ES, CY, LT, LU, HU, NL, AT, PL, SI, SK, FI, SE, UK. Gross and net is used for: FR, PT. Net is used for: EL, IT, LV.

For an interpretation of the absolute figures it should be noted that individually attributable income does not include all income components of a household, i.e. it excludes those components which cannot be attributed clearly to an individual (for example household income based means-tested benefits). At the same time, individually attributable income is reported in gross figures while the equivalized income (Table 1 above) reports net figures.

The individually attributable income of elderly women in relation to that of men is below 50% in Greece and around 60% in many other European countries. In the Central and Eastern European Member States, the individually attributable income of women is closer to that of men, which probably reflects a less uneven income distribution in general during socialism, which is now mirrored in the income distribution of the elderly. Therefore, it is not clear whether the more even distribution of attributable income between women and men in Central and Eastern Europe will remain in the future. One can also assume that one reason for larger differences in individually attributable income is a strong employment-linked social insurance pension and lower female labour participation (for example in Austria, Belgium, or Luxembourg).

The following figure illustrates the mean sum of individually attributable income for women above 16, 55 and 65 years of age. The figure again reveals the large income differences that exist across the EU for women and the fact that the individually attributable income for women decreases with age in most of the countries, though to a different degree. Again, the absolute differences in the different age groups in many Central and Eastern European countries are smaller, while a number of Western European countries are characterized by a considerable lower individually attributable income for women above 65 compared to those above 16 years or above 55 years. As EU-SILC cross-sectional data is used, it remains an open question to what extent these differences are caused by changing employment profiles and higher labour force participation rates of younger women and to what extent the replacement rate of the pension system impacts on income for different age groups.

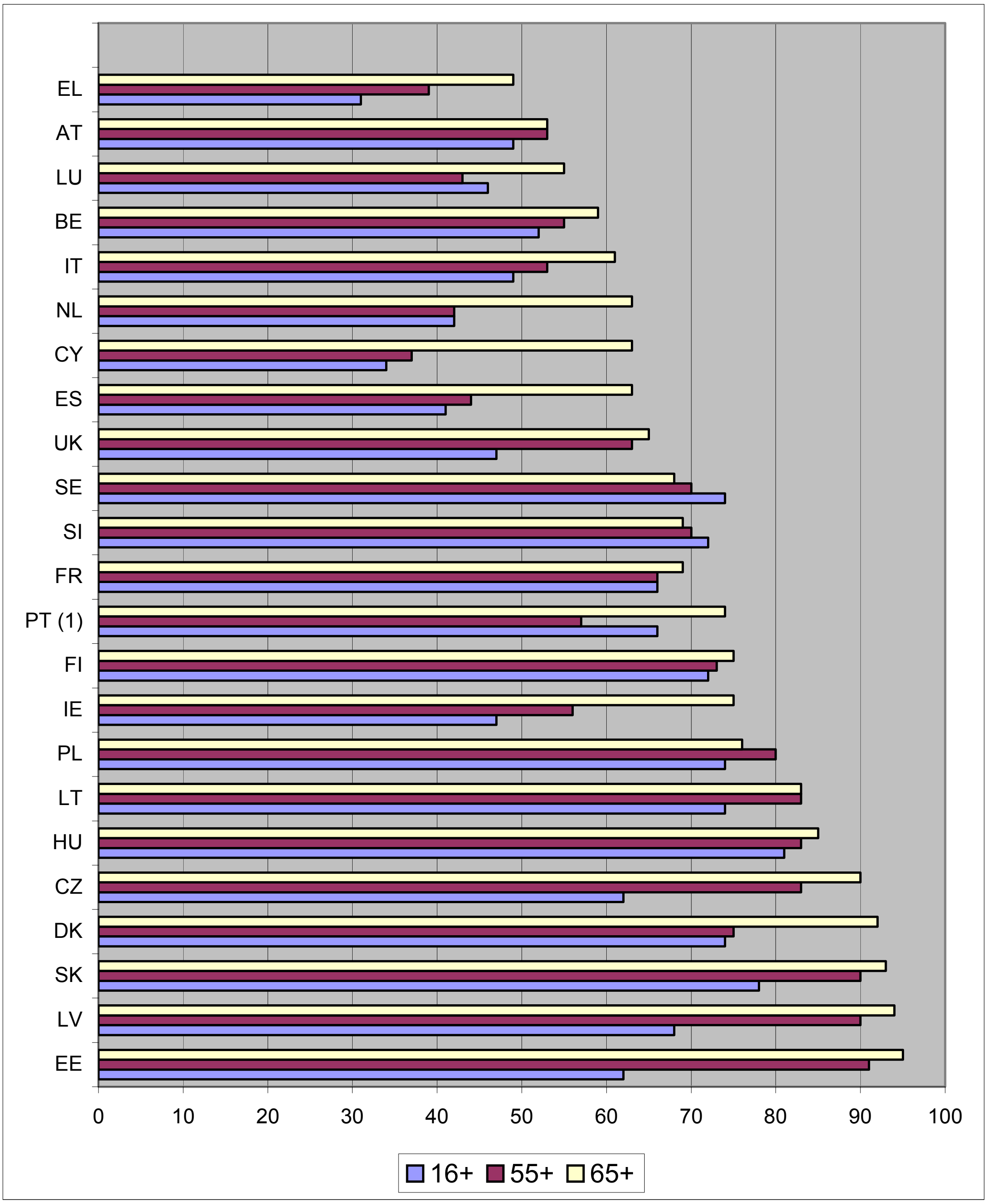
Figure 4: Mean sum of individually attributable income of women in €, 2006



Source: Eurostat, EU-SILC cross-sectional data 2006, income reference period 2005, except UK (2006) and IE (moving income reference period 2005-2006). BG, DE, MT and RO not included. (1) Provisional data. Extraction date March 28th, 2008.

The figure on the next page depicts the relation between median individually attributable income of women and men.

Figure 5: Median sum of individually attributable income of women as a percentage of median individually attributable income of men for different age groups, 2006



Source: Eurostat, EU-SILC cross-sectional data 2006, income reference period 2005, except UK (2006) and IE (moving income reference period 2005-2006). BG, DE, MT and RO not included. 1 Provisional data. Extraction date March 28th, 2008.

The figure illustrates that in many EU Member States with increasing age the relative ratio of median attributable income of women compared to the median attributable income of men increases. This is mainly caused by the fact that with age the attributable income of men decreases relatively more than that of women. This effect is less pronounced but still visible if one looks at mean individually attributable income. The relative gains in women's incomes in old age could be due to several reasons such as low female labour market participation during working life, accompanied, however, by pension entitlements for women regardless of their employment career (e.g. a minimum pension). Another explanation might be based on the fact that income from employment is no longer the major source of income during retirement and that pensions represent a greater share of the income. Depending on the extent of redistribution of pension schemes this may result in enhanced income equality between women and men. However, again cohort effects would need to be considered, as today particularly in some of the Central and Eastern European countries men in the younger age groups have a considerably higher attributable income than women compared with a more even income distribution in former times. This could also be an indicator for increasing income inequalities in some countries which were formerly characterized by a rather even income distribution.

In summary, even though individually attributable income of women and men varies considerably it is significantly lower for women than for men in all age groups all over Europe. If one looks at equivalized disposable income however, the picture is different, as in many countries the equivalized disposable income of women aged 65 and older reaches 90% or more of that of men. This illustrates the effect of equivalizing income and the concept of equal sharing of resources, i.e. that equivalization overestimates the individually attributable income of women.

2.5. Income Composition of Women and Men in Old Age

Existing comparative research on women's income in old age is limited, in particular with regard to the actual income composition of women in old age. Thus, in this section, research results concerning reported income composition are followed by an analysis of latest EU-SILC data.

Hauser (1997) compares the income of elderly persons (male and female) in 14 OECD countries[40]. His review is based on LIS data.[41] His findings include that there are considerable differences in the composition of pensioners' household income and that several factors influence income in retirement. He identifies three groups of countries, the first one with a high share of pension income (Belgium, France, Germany, Luxembourg and the Netherlands), a second one with a share between 60 and 80 % (Canada, Denmark, Ireland Spain, United Kingdom and the United States) and a third group in which pension income contributes less than 60 % to the total income of the pensioner household (Greece, Italy and Portugal). Wages and salaries are an important supplement of income for the elderly, whereas income from capital plays only a minor role.[42]

Most importantly, by comparing income of single female and single male pensioners against each other and against equivalent income of pensioner couples, his study reveals that male single pensioners are better off than female single pensioners in all countries except Ireland. Differences between single female and male pensioners amount to 20% in more than 7 of the 14 countries covered.[43] With regard to poverty ratios, the results show that poverty (50%

[40] The countries covered in this study include: Belgium, Denmark, France, Germany (West), Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain and the United Kingdom as well as Canada and the United States.

[41] Well-being is measured by net equivalent income using two different equivalence scales (1.0/0.7/0.5 and 1.0/0.5/0.3) and poverty lines of 40, 50 and 60 % of the mean equivalent income.

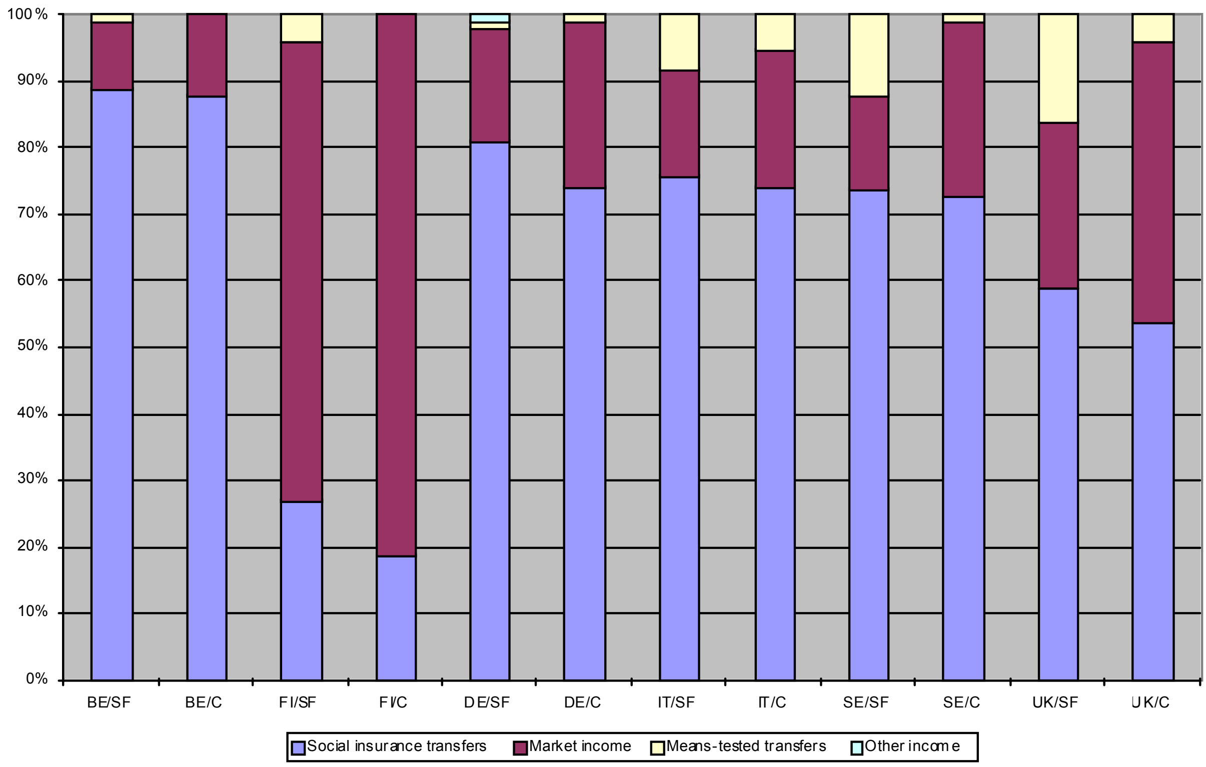
[42] The share of pensions in the overall household income according to Hauser's LIS-based results is lower than findings based on EU-SILC data which will be presented below, but this is mainly caused by the fact that he analyzes households with at least one person being 55 years or older and thus the importance of income from employment is higher than in the age groups 65 years and older used for the EU-SILC analysis.

[43] Belgium, France, Germany, Luxembourg, Netherlands, Portugal and Spain.

mean equivalent income) is more prevalent among single female pensioner households compared to single male pensioner households. However, there are considerable differences across countries with particularly higher rates in Germany, Spain, the United Kingdom and the United States.

Choi (2006) analyzes income composition for elderly women living alone (SF) and couples (C) in the year 2000 and compares Belgium, Finland, Germany, Italy, Sweden and UK. This is based again on LIS data, income units are classified as households with heads aged 65 and more.

Figure 6: Income composition for elderly women living alone and couples



Source: Source: Choi 2006; Table 3, page 14.

The left column for each country illustrates the income composition of single female households, the right column the income composition of couples. Again, the high importance of social insurance transfers is illustrated, in particular for Belgium, Germany, Italy and Sweden. Market income which in this analysis includes wages, cash property income and employment related (i.e. occupational) pensions is of high importance in some countries.[44] The figure also illustrates that women have a relatively lower market income as for all countries the share of market income is higher for couples. Means-tested transfers are of greater importance for single female households than for couples.

Gornick et al (2006) provide a cross-national analysis looking for the first time simultaneously at income and wealth of older women. Their study is based on LIS and Luxembourg Wealth Study (LWS) data, and the countries covered are the, Germany, Italy, Sweden, United

[44] The high share of market income for Finland is explained by the nature of the Finnish mandatory/statutory occupational pension schemes that are run by sectoral employer groups and are therefore included in market income as employment-related pensions.

Kingdom and the United States. The authors argue that assets are of crucial importance to older women, in particular in their retirement phase. Thus the explorative study of Gornick et al. is ground breaking in the analysis of the interplay between income and wealth of women in old age.

Their study compares household types (all households that include older women over 60 and, as a sub-group, older women living alone in a household). Their findings reveal that in all countries older women typically have less income than do members of households at the national median. Income of single older women is particularly lower than the median income, between 62 to 65 % of the national median, except in Germany, where it is nearly 75 %.

The comparison of net wealth in the different countries presents a quite different picture. The analysis reveals that net wealth of older women is in a number of countries well above the median. This is explained by the fact that older households have more assets compared to the median household, as wealth often accumulates with age. While this is true for older women's households in general, the situation is different and varies considerably for single older women. While the authors found a considerably higher net wealth of the median in the United States and a slightly higher net wealth of the median in the United Kingdom and Sweden, single older women in Germany and Italy have much less relative net wealth than the median. Home ownership is considered to be an important explanatory factor for these differences in net wealth across the countries and household groups.

Most relevant in the context of this study is the authors' analysis of income and wealth packages of the five countries, income disaggregated into earnings, capital income, private transfers (including occupational and private pensions) and public transfers and wealth disaggregated into financial assets, principal residence and investment real estate.

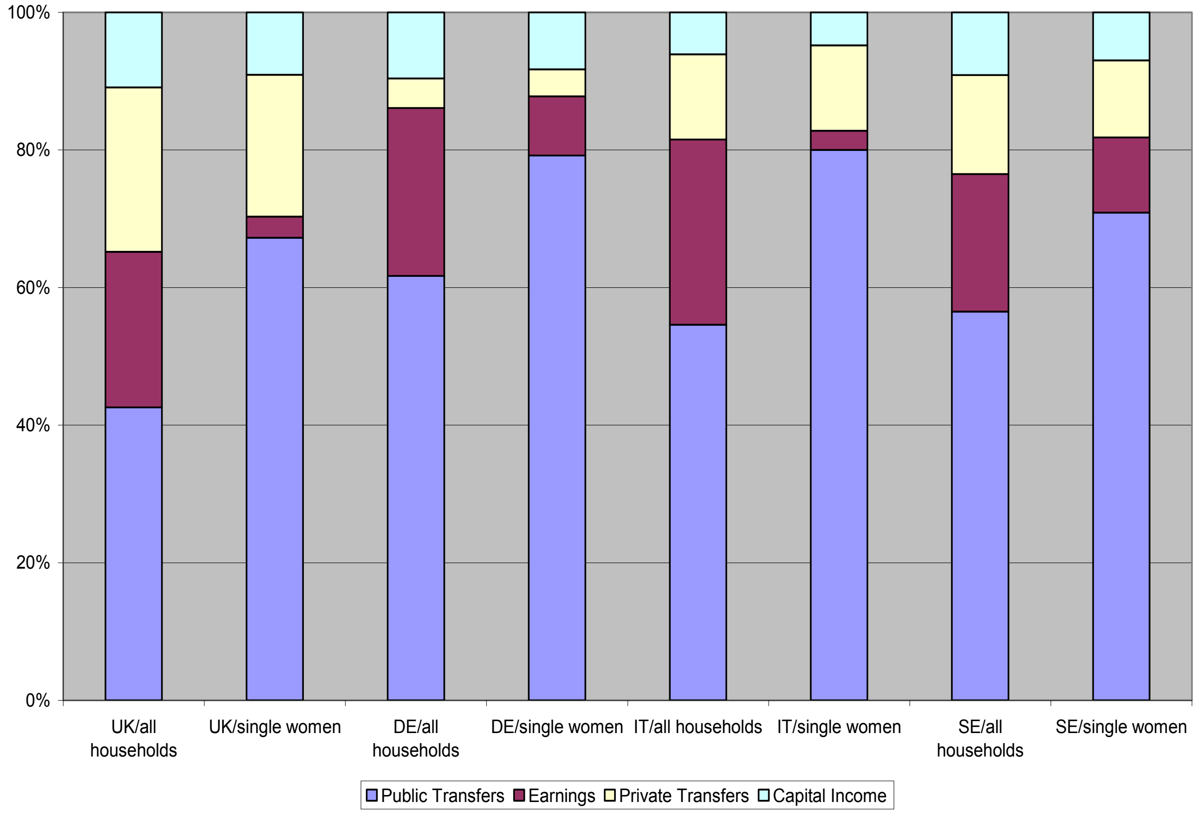
The income composition analysis for the four European countries covered by the study (Germany, Italy, Sweden and the United Kingdom) finds that public transfers constitute around 40 to 60 % of the income for older women overall and two thirds to 80 % for single older women. Income from earnings amounts to 20 to 27 % for older women overall and 3 to 10 % for single older women. Private transfers play an important role in the United Kingdom (24 % for older women overall, 20 % for single older women) but are less important in Germany, Italy and Sweden (between 4 and 14 % of older women overall and 4 and 12 % for single older women). Capital income fluctuates around 10 % in Sweden, Germany and UK and stands at 6 % in Italy for elderly women overall and between 5 and 9 % for single older women.

The analysis of the wealth packages reveals that financial assets play a larger role of around 40% in the US and Sweden, both for older women overall and for single older women. Principal residence presents in all household types the most important share of wealth in the European countries (between 50 and 76 %) and investment real estate represents between 5 (UK) and 20 (Germany) % of the wealth package.

The study further confirms the results of earlier LIS analysis of income poverty of elderly women in the five countries, but the authors also calculate a so-called "asset poverty" which is defined by assets less than 25% of the median disposable income. The highest rate of asset poor households is found in Germany (46 % of all households with an older woman as head or spouse) and in the UK (55 % of single older women). An exception is Sweden, where asset poverty is substantially lower than in the other countries.

The following figure illustrates the income composition for the different household types.

Figure 7: Income composition for all elderly households/single elderly households



Source: Gornick et al. (2006).Figure 4a

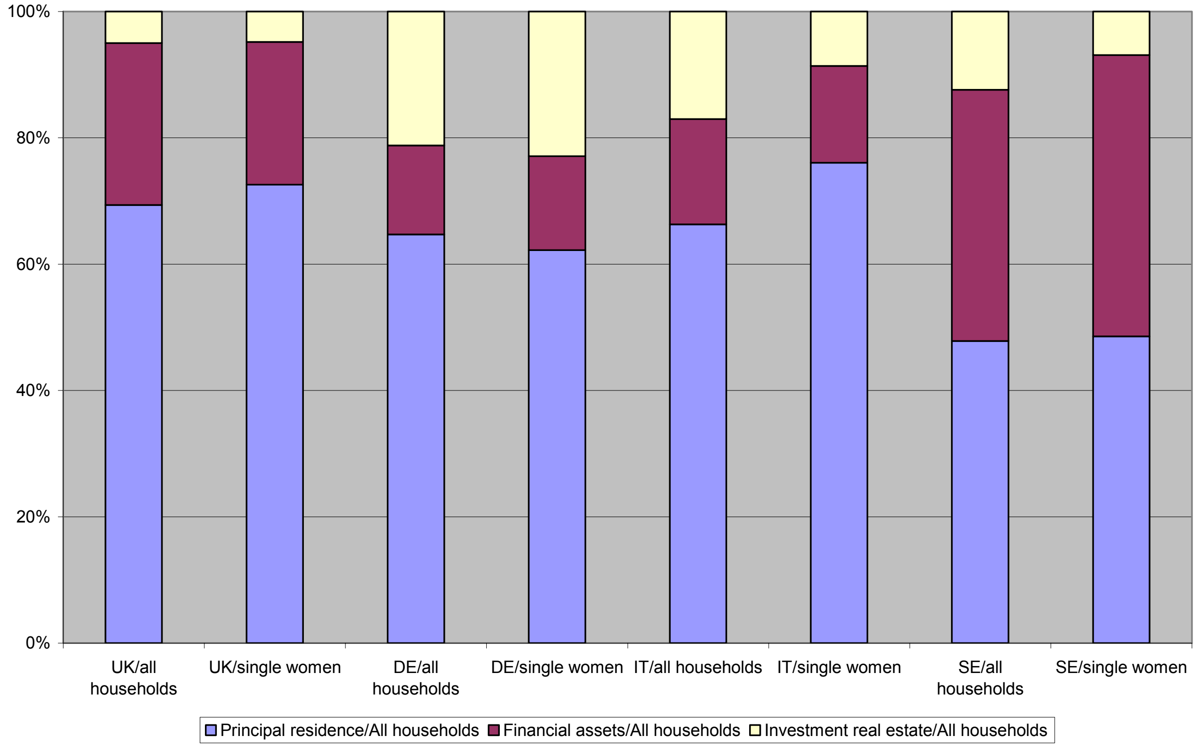
The figure shows that in all countries single women rely to a larger extent on public transfers because the relative importance of income from earnings and capital income is lower.

The following graph illustrates the composition of wealth for the respective household types. Wealth is divided into the categories: financial assets, principal residence and investment real estate.

The graph shows that principal residence is the main source of wealth in all countries, regardless of the type of household. The importance however varies from country to country and is least in Sweden where financial assets are almost equally important. Investment real estate is most important in Germany and less important for single women in Italy and Sweden.[45]

[45] The absolute wealth varies substantially across the countries. Highest net wealth of single older women according to the analysis of Gornick et al is to be found in Italy (and the US, which is also included in their comparison).

Figure 8: Wealth composition for all elderly households/single elderly households



Source: Gornick et al 2006, Table 4b

More information about income composition of women in old age could be obtained from EU-SILC micro data on individually attributable income.[46] Findings from EU-SILC reveal that pension income represents the most important income source in old age for both men and women, but is even more important for women because it represents a higher share of the total income. Other income sources, such as income from employment, self-employment and private pensions play only a marginal role.

[46] EU-SILC data for the 15 countries covered by the study has been analyzed. For 3 countries – Germany, Malta and Romania – no micro data was available in the User Database. It should be taken into account that individually attributable data from EU-SILC does not include certain income components such as e.g. imputed rent. For most countries gross figures are available; for other countries, namely Italy and Portugal, only net figures were available. Comparison thus has to be made very carefully and one should be aware that disposable income will be lower and depend on national tax and social security systems.

Table 3: Share of pension income and other sources of income for elderly women and men, 2006

		Percentage of income from old-age benefits (PY100G) of total income[47] of persons aged 65 and over	Accumulated percentages of other income sources excluding old-age benefits[48]
AT	women	98.71	1.28
	men	96.11	3.89
BE	women	97.23	2.77
	men	95.44	4.56
EE	women	91.38	8.62
	men	81.88	18.13
FI	women	94.63	5.36
	men	87.89	12.09
HU	women	96.99	3.00
	men	92.14	7.85
IE	women	93.08	6.93
	men	80.71	19.31
IT	women	95.10	4.90
	men	86.68	13.32
LT	women	92.91	7.08
	men	80.56	19.45
PL	women	96.36	3.64
	men	93.03	6.98
PT [1]	women	74.40	25.58
	men	86.74	13.26
SE	women	87.09	12.91
	men	84.79	15.20
UK	women	95.21	4.78
	men	90.71	9.29

Source: EU-SILC UDB 2006 – version 1 of March 2008;
own calculations (rounded to 2 digits); (1) provisional data
income reference period 2005, except UK (2006) and IE (moving income reference period 2005-2006). No data available for DE, MT, RO.

The table illustrates that for both elderly women and men, pension income (old age benefits) is the most important source of income. In all countries the share of income from pensions is above 80%, often even above 90%.[49] Secondly, income from pensions as part of the total income is higher for elderly women in all countries, reaching as much as 98% in Austria. Pensions provide for a relatively lower share of income for elderly men in Estonia, Finland, Ireland, Italy and Lithuania and for both elderly women and men in Portugal and in Sweden. In these cases income from other sources amounts to at least 12% or more.

[47] Total income refers to individually attributable income (gross), see FN 42.
[48] Income sources as mentioned in FN 42 excluding old-age benefits.
[49] The low percentage of income from old-age benefits that Portuguese women receive is misleading insofar as according to the data many women receive an income from a survivor's pension (which in the table is counted as other income). According to EU-SILC reference documents for persons above the normal retirement age income from survivor's pensions should be included in pension income, but this is not the case for the Portuguese data set.

Income from pension is by far the most important source of income in old age for women and men in all 15 countries covered by the study. It is however not only public pension income. According to EU-SILC definition old-age pension income comprises all public pensions, as well as occupational pensions. In addition, the survivor's pension and the disability pension are included once a person has reached pensionable age and are accounted for separately only for those who are below pensionable age. EU-SILC does not allow the distinguishing of different kinds of public pensions received after retirement age.

Three other income sources play a smaller role in old age, although to a varying extent and in a different way throughout the countries. These are income from employment, self-employment and (voluntary) individual private pension plans. The share of this income sources in total income is presented in the table below.

Table 4: Share of income from employment, self-employment and private pension plans, 2006

		Percentage of income from employee cash or near cash income (PY010G) of total income of persons aged 65 and over	Percentage of income from cash benefits or losses from self-employment (PY050G) of total income of persons aged 65 and over	Percentage of income from individual private pension plans (PY080G) of total income of persons aged 65 and over
AT	women	0.56	0.35	0.13
	men	2.45	1.10	0.25
BE	women	0.61	1.39	0.09
	men	1.42	1.80	0.32
EE	women	7.98	0.46	0.00
	men	16.65	0.91	0.01
FI	women	2.12	2.32	n/a
	men	2.33	9.14	n/a
HU	women	1.00	1.80	0.00
	men	3.33	4.22	0.00
IE	women	2.68	2.23	1.75
	men	3.16	10.60	3.15
IT	women	1.59	2.87	0.20
	men	2.84	10.09	0.22
LT	women	4.76	2.04	0.00
	men	12.78	6.64	0.00
PL	women	1.02	0.43	0.01
	men	3.66	2.62	0.03
PT (1)	women	3.16	1.10	0.01
	men	4.66	5.44	0.37
SE	women	5.71	0.68	4.62
	men	6.73	1.88	5.36
UK	women	2.73	1.73	0.16
	men	4.84	3.33	0.90

Source: EU-SILC UDB 2006 – version 1 of March 2008;
own calculations (rounded to 2 digits); income reference period 2005, except UK (2006) and IE (moving reference period 2005-2006). (1) Provisional data. No data available for DE, MT and RO. Note: Sample sizes for PY080 in some cases are very low and data should be treated with caution.

Generally elderly women have a lower share of income in all these categories as compared to elderly men. Income from employment for elderly women is relatively important in Estonia, Lithuania and Sweden and to a lesser degree in Portugal and the United Kingdom. Income from self-employment and from private pension plans does not constitute a major income source for elderly women.

The picture slightly changes if one looks not only at the relative share of income but also at the number of recipients of various income sources. There are a number of countries where considerably more men than women receive some income from pensions. In other words, in a number of countries (Austria, Belgium, Ireland, Italy and Portugal), a number of persons – mostly women – do not receive any income from pensions at all.

Table 5: Number of persons receiving old-age pension and other types of income, 2006

		Number of persons aged 65 and over receiving old-age benefits (PY100G) in % of all persons of same sex	Number of persons aged 65 and over receiving other income; accumulated percentages [50]
AT	women	87.51	7.58
	men	99.21	6.15
BE	women	73.40	2.61
	men	97.76	9.49
EE	women	99.67	9.71
	men	99.66	20.94
FI	women	98.70	16.14
	men	98.89	35.59
HU	women	96.48	5.25
	men	99.12	8.00
IE	women	82.05	7.51
	men	95.35	23.70
IT	women	89.23	8.24
	men	98.00	18.24
LT	women	99.93	9.41
	men	99.89	16.50
PL	women	95.12	4.43
	men	98.90	9.03
PT (1)	women	81.01	43.12
	men	94.42	21.49
SE	women	98.85	55.50
	men	98.97	80.09
UK	women	98.51	9.86
	men	97.06	26.65

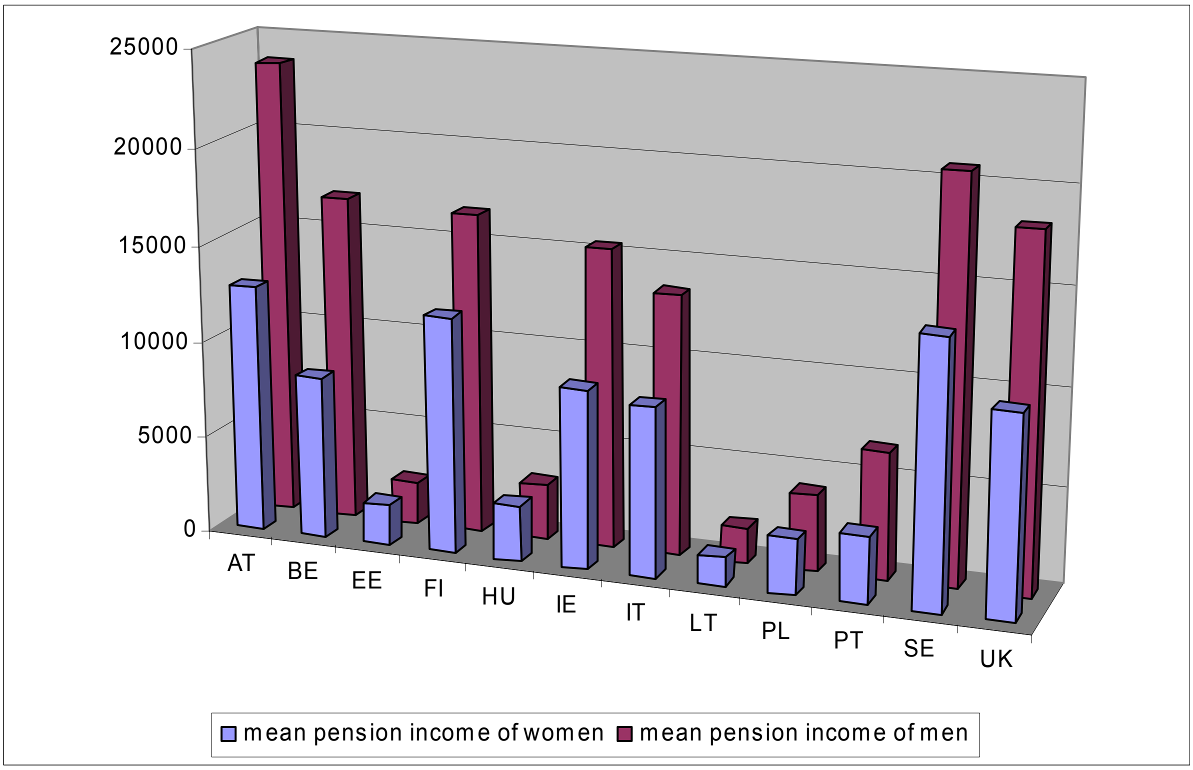
Source: EU-SILC UDB 2006 – version 1 of March 2008;
Own calculations (rounded to 2 digits); income reference period 2005, except UK (2006) and IE (moving reference period 2005-2006). (1) Provisional data
No data available for DE, MT and RO.

[50] Other kinds of income include PY010G (employee cash income), PY020G (non-cash employee income), PY035G (contributions to individual private pension plans), PY050G (cash benefits or losses from self-employment), PY070G (value of goods produced by own-consumption), PY080G (pension from individual private plans), PY090G (unemployment benefits), PY110G (survivor's benefits), PY120G (sickness benefits), PY130G (disability benefits) and PY140G (education related allowances). The percentages are accumulated so that one person might be counted several times if receiving several kinds of income other than a pension.

The accumulated figures for other types of income in table 5 are just an indication for the variation of income sources for elderly people.[51] The figures confirm the findings above, i.e. that the majority of elderly women mainly rely on public pensions as their main source of income in old age. At the same time they illustrate that a high "coverage" - i.e. a large number of people getting income from employment or private pensions – does not necessarily indicate that this income is substantial, as illustrated by the Swedish case where about 25% of the elderly receive income from private pension plans but this income only accounts for about 5% of the total income.

Looking again at the absolute amount of pension income the chart below clearly illustrates the differences in pension income of women and men:

Figure 9: Mean pension income of women and men aged 65 and over, in €, 2006



Source: EU-SILC UDB 2006 – version 1 of March 2008; own calculations (rounded to 2 digits); income reference period 2005, except UK (2006) and IE (moving reference period 2005-2006). Portugal provisional data, no data available for DE, MT and RO.

[51] A figure of 50% does not mean that 50% of people receive income from sources other than old-age pensions. It might only be 10% of the people each receiving income from five different income categories.

2.6. Summary

Throughout Europe, elderly women are more affected by poverty than men. Considerable poverty rates among elderly women – and in particular among the oldest of the elderly, those above 75 years of age – have existed for many years. Although this fact is well-known, little has so far been known about income differences between women and men in old age and knowledge on income composition of women (and men) in old age is rather limited.

The review of EU-SILC data and existing research on income, poverty and income composition of women and men in old age confirms that information on the individual income situation of elderly women and men is still rather limited. An analysis has to be based either on individually attributable income (excluding certain income components which are only attributed at household level) or on equivalized income based on a concept of equal sharing which might not reflect income distribution within a household. Another approach which is frequently taken is to analyze single female elderly households only, which excludes a considerable number of women.[52]

As far as income composition in old-age is concerned, comparative information available is even more limited. Income components cannot (or can at best only partly) be subdivided into different pension elements. For example, in EU-SILC survivor's pensions are usually counted as old-age income once retirement age has been reached and income from some private pensions fall into capital income.

Nevertheless some conclusions on the income composition and situation of women and men in old age can be drawn:

- Income from pensions is by far the most important component of income in old-age and is even more important for women than for men. Pension income constitutes in many countries up to 90% of elderly women's income.
- According to EU-SILC data, pensions play an even more important role for income in old age than the results based on the LIS. The share of pension income is considerably lower according to the analysis of LIS data, but this is mainly caused by various definitions, reference years and, in particular, different age brackets.
- The importance of pension income for overall income of elderly women and men according to EU-SILC data varies across countries (from 98.71% for elderly women in Austria to 87.09% for elderly women in Sweden and from 96.11% for elderly men in Austria to 80.56% for elderly men in Lithuania).
- Individually attributable income of women is lower than individually attributable income of men. With increasing age the relative ratio of median attributable income of elderly women compared to the median attributable income of elderly men increases. This is mainly caused by the fact that with age the median attributable income of men decreases relatively more than that of women.
- EU-SILC data does not allow for a detailed analysis of income components in old age. After a person has reached retirement age distinction cannot be made between different public pension benefits (disability pensions, survivors' pensions) on the one hand and between public, occupational or mandatory private pensions on the other hand. Thus the interplay of public and occupational pensions and the role of survivors' pensions as part of public pensions for women in old age could not be analyzed in detail.

[52] When analysing the income of single female elderly women it is highly likely that there is also a bias regarding the age profile of those surveyed (as women on average have a longer life expectancy than men and frequently survive their partners).

3. A Comparison of 15 EU Countries

The following comparison and analysis of gender-relevant pension regulations is based on 15 country profiles.[53] These countries represent a broad variety of pension schemes across the EU and differ with regard to the public-private mix, their financing mechanisms and their role of poverty protection and income replacement in old age.

Several of the countries analyzed in this study have undergone substantial reforms of their pension system over the last decade. Even if many of the reforms were driven by the objective of increasing the financial sustainability of pension schemes in view of ageing populations, measures that were not targeted at women specifically might nevertheless have a gender impact, if women are disproportionately affected – either in a positive or a negative way. Linking benefits more tightly to contributions might for example over-proportionally affect women as women tend to rely to a larger extent on redistributive measures in a pension system. Similarly, strengthening a particular scheme within a pension system e.g. privately managed pensions by offering tax incentives might have different outcomes for men and women as women tend to have lower incomes. Additionally, measures specifically targeted at improving the pensions of women in the future, such as credits for child care and other forms of care, have been introduced and/or changed in recent years in most countries covered by this study.

The analysis of the gender dimension of various national pension systems is carried out alongside three different types of pension schemes – minimum income provisions, earnings-related pensions and occupational/private pensions. The measures presented are those currently in effect. In addition, changes that have been legislated recently but are not yet in effect are described as well.

3.1. Minimum Income Provisions and their Impact on Women

One of the key objectives of social protection systems in the EU is to prevent people from poverty in old age. The objective of minimum income protection is reflected in the framework of social policy co-ordination within the EU, the Open Method of Coordination (OMC). As described in the first chapter of the study, poverty rates among elderly women in EU Member States are higher than those of men. Thus, minimum income provisions are particularly important for women.[54]

We distinguish between three different forms of minimum income provision in old age:

1. Residence-based minimum pensions – universal pensions that depend on the residence within a given country (listed in the below table under 1).
2. Contributory minimum pensions – depend on participation in the public pension system and are linked to certain entitlement criteria.[55] (listed under 2 in the table below).
3. Social assistance benefits – do not require any participation in a pension system but are usually means-tested cash benefits (listed under 3 in the table below).[56]

[53] Austria, Belgium, Estonia, Finland, Germany, Hungary, Ireland, Italy, Lithuania, Malta, Poland, Portugal, Romania, Sweden and the United Kingdom.
[54] See chapter 2 of this study, section 3.
[55] Such pensions might be called differently in the different national contexts.

In discussing social assistance benefits we are moving beyond the pension scheme as these benefits are not linked to participation in a pension scheme. However, they are discussed specifically in this section as they represent an important instrument of providing a minimum income in old age in a number of countries.

The following table gives an overview of the existing minimum income provisions for the elderly in the 15 individual countries under analysis here.[57]

Table 6: Minimum income provisions for older people, 2008

Country	Minimum income provisions
AT	No residence-based minimum pension; a pension supplement provides for a contributory minimum pension within the public pension system; social assistance might be claimed. 1) -- 2) Pension supplement Entitlement criteria: eligibility for an old-age pension, means tested (on household basis for pension and other income) Amount: supplement tops up income to 747 € (for a single person in 2008;) and 1,120 € (for a couple in 2008), the amount for a single person in 2006 was 690 € amounting to 29% of the average monthly wage (2,401 € in 2006) and 77% of the at-risk-of-poverty rate (893 € in 2006); no regular indexing 3) Social Assistance Entitlement criteria: means tested (per household) Amount: varying from state to state, e.g. for a single-person household 414 - 532 € per month; no regular indexing
BE	No residence-based minimum pension; a contributory minimum pension within the public pension system; social assistance might be claimed. 1) -- 2) Pension supplement Entitlement criteria: At least 30 years of at least half-time employment eligibility for an old-age pension, means tested (on household basis) Amount: minimum pension set at 976 € (for a single person in 2008) for full working career (45 years); the amount for a single person in 2006 was 849 € amounting to 31% of the average monthly wage (2,739 € in 2006) and 99% of the at-risk-of-poverty rate (860 € in 2006); the amount is reduced by 1/45 for each missing year in an individual's working career; price-indexed plus indexation according to the "general welfare level" every two years 3) Social assistance: Means tested minimum income for elderly persons Entitlement criteria: means tested (per household) Amount: set at 886 € for a single-person household and 590 € for a person living with another person (in 2008; in 2006 set at 686 € and 458 € respectively); social assistance for a person living alone (686 € in 2006) amounts to 25% of the average monthly wage (2,739 € in 2006); 80% of the at-risk-of-poverty rate (860 € in 2006); price-indexed; indexation according to the "general welfare level" every two years Other: If a person shows at least 15 years of employment and was employed at least ⅓ of full time and if his/her pension does not exceed 1,100 € per month, years with low income are upgraded to 1,594 € per month (2008); price indexed; indexation according

[56] Apart from these mean-tested cash benefits, benefits in kind exist in a number of countries and play a considerable role, e.g. housing benefits in Sweden and the UK. Benefits in kind will not be discussed here as they are not considered as pensions but as a supplement to social assistance cash benefits. It should however be kept in mind that these benefits in kind are of high importance to provide income for pensioners in some countries.

[57] Minimum pensions are put into relation to average wage and poverty threshold (60% of median income).

	to the "general welfare level" every two years
DE	No residence-based minimum pension and no contributory minimum pension exist; a means-tested social assistance for elderly might be claimed. 1) -- 2) -- 3) Social assistance for elderly persons Entitlement criteria: Means tested, person has reached pensionable age Amount: Set at 600 € (347 € plus average housing costs in 2008/2006) amounting to 18% of average wage (3,435 € in 2006) and 77% of at-risk-of-poverty rate (781 € in 2006), no regular indexing
EE	Residence-based flat-rate national pension. A minimum pension guarantee at the level of the national pension exists in the earnings-related scheme. 1) Residence-based national pension Entitlement criteria: residents 63 years of age (men and women) who are not entitled to an old-age pension and have resided in Estonia for 5 consecutive years prior to claiming the pension; Amount: flat rate at 122 € (2008), which is about 15% of the average wage; the poverty threshold in 2006 was 222 €. Indexed annually to both the Consumer Price Index (CPI) (at a share of 20%) and the increase in social tax revenues (at a share of 80%) 2) Minimum pension guarantee at the level of the national pension for those entitled to an old-age pension Entitlement criteria: recipients must be of pensionable age (women 60.5, men 63 years) and have a pensionable length of service of a minimum of 15 years Amount: minimum pension guarantee is set at 122 € (in 2008) 3) Social assistance Entitlement criteria: social assistance is means tested (per household) Amount: e.g. for a single-person household up to 64 € (2008) after the payment of housing expenses (within established limits). No automatic adjustment, amount fixed annually by the state budget.
FI	Residence-based income-tested national pension. 1) Residence-based national pension Entitlement criteria: Residents 65 years of age who have no or little earnings-related pension entitlement Amount: Depending on the amount of earnings-related pension and family status, and proportional to the length of residence in Finland. In 2008, the full rate of the national pension is 558 € in the case of a single person, and 495 € in the case of a married person. This represents for a single person approx. 18% of the average wage (private sector/2007) and approx. 50% of the poverty threshold (1,038 € in 2006). The full rate is paid if the entitlement for an earnings-related pension is less than 49.29 € and if the person has resided in Finland at least 80% of the time between 16 years of age and the age of applying for pension. If the earnings-related pension is over 49.29 €, the amount of the monthly national pension is calculated according to the following formula: National pension = the full rate – 0.5 x (other pension income per year – 591 €) / 12 No entitlement, if the earnings-related pension is over 1,154 € for a single person or 1,028 € in the case of married persons. Price indexed. 2) The same as under 1) 3) Social assistance Entitlement criteria: means tested (per household) Amount: 399 € per month for a single-person household (2008) Supplementary benefits may be paid to cover housing expenses, major health care expenses and expenses due to exceptional situations.

HU	A minimum pension in the public pension system depends on the number of contributory years; in addition a means-tested old-age allowance exists. 1) -- 2) Contributory minimum pension Entitlement criteria: 20 years of contribution Amount: set at HUF 26,830 (107 €) in 2007, amounting to approx. 15% of the average (gross) wage (2007) and 52% of the at-risk-of-poverty threshold (2007) Indexation: annually, according to the inflation rate (at a share of 50%) and the increase of real net average monthly earnings (at a share of 50% – Swiss indexation) There is also a possibility of "exceptional pension increase" in the case that the individual pension is less than half the minimum pension; such an increase is granted on application and especially to an insured person who has a long service time 3) Social assistance: Means-tested old-age allowance Entitlement criteria: means tested, for persons above retirement age Amount: difference between the income and 95% (for single-person household) or 80% (for two-person household) or 130% (for single over 75) of the minimum pension Indexation: as in the case of the minimum pension
IE	A minimum pension in the public pension system depending mainly on the contributory time is granted; in addition a means-tested old-age allowance exists. 1) -- 2) Contributory minimum pension Entitlement criteria: at least 260 Pay Related Social Insurance (PRSI) contributions are needed, starting before the age of 56 and averaging at least 10 PRSI from first contribution to retirement age Amount: 10% of the maximum State Contributory Pension, equalling 22.33 € per week, representing 3.3% of gross average industrial earnings. Indexation is discretionary i.e. there are no fixed rules, indexations depends on political decision 3) Non-contributory flat-rate pensions (from age 66) Entitlement criteria: means tested Amount: full amount of set at 212 € per week Indexation is discretionary
IT	A minimum pension is provided in the public pension system; in addition a means-tested non-contributory benefit is available for all people above 65. 1) -- 2) Minimum pension Entitlement criteria: 5 insurance years are required; no minimum pension for those insured after 1996 is foreseen in the system Amount: set at 512 € per month; this represents approx. 70% of the poverty threshold in 2006 (726 €). Minimum pension is not indexed but discretionarily adjusted by law 3) Non-contributory benefit at the age of 65 Entitlement criteria: means tested Amount: set at 395.60 € per month Not indexed, discretionarily adjusted by law i.e. no rules about increases and intervals
LT	Only a social assistance minimum pension exists. 1) -- 2) -- 3) Social assistance pension Entitlement criteria: means tested, potential recipient must belong to one of the following groups • mothers (over retirement age) of at least 5 children, who brought up children up to the age of 8, • parents/foster-parents/guardians (over retirement age) who took care of disabled persons with defined special needs for permanent nursing or aid for at least 15 years, • other persons over retirement age whose income is below social assistance pension Amount: set between 90% and 100% (varying according to the group of recipients) of the basic pension, i.e. main pension from the social security, the basic social insurance pension amounted to LTL 266 (77 €) in 2007, representing approx. 15% of

	the average (gross) national earning (in 2007) and approx. 47% of the at-risk-of-poverty threshold (60%) (in 2007) Indexation*:* a price-index (linked to the average inflation rate) of the two previous years), provided the consumer price-index was higher than three percent in the period considered
MT	A contributory minimum pension in the public system is granted; in addition a means-tested, non-contributory pension with the function of a social assistance exists 1) -- 2) Minimum pension within the public pension system Entitlement criteria: pension income less than 2/3 of the national minimum wage (from 2011 the minimum pension will be set at 60% of the national median income (poverty level) Amount: set at 2/3 of the minimum wage; as of 2011 it will be set at 60% of the national median income Increased annually on the basis of the Cost of Living Allowance (COLA) 3) Quasi-social assistance non-contributory pension (“Old-age Pension”), Entitlement criteria: means tested Amount: set at 63 € per week for a lone pensioner (42 € for each married pensioner) Increased annually on the basis of the Cost of Living Allowance (COLA)
PL	The public pension system provides a contributory minimum pension; in addition, a general social assistance allowance exists. 1) -- 2) Contributory minimum pension Entitlement criteria: 20 insurance years for women and 25 years for men are required (and reaching the retirement age, basically 60 years for women, 65 for men) Amount: set at PLN 636.29 (184 €) in 2008, representing 21% of average (gross) wage (3rd quarter 2008) (or 22% of average gross wage in 2007) and 88% of at-risk-of-poverty threshold (60%) (2007); Indexed by prices and (at least) 20% of real wage growth 3) General social assistance allowance Entitlement criteria: means tested; the monthly income thresholds are: for a single-person household PLN 477 (124 €), for each member of a household PLN 351 (91 €) Amount: the permanent allowance (zasiłek stały) is set at minimum PLN 30 (8 €) and maximum PLN 444 (115 €); the periodic allowance (zasiłek okresowy) is set at a minimum of PLN 20 (5 €) and a maximum of PLN 418 (109 €) Both income thresholds and benefits are adjusted every three years (the next indexation will take place in October 2009), according to the changes in the social intervention threshold (próg interwencji socjalnej) calculated by Institute of Labour and Social Studies
PT	The earnings-related pension scheme provides for a contributory minimum pension; in addition, there is a special means-tested allowance for the elderly. 1) -- 2) Minimum pension within the public pension system Entitlement criteria: 15 continuous or non-continuous qualifying calendar years with earnings registration are required. Amount: set at 364 € for 30 contributory years, reduced proportionally for lower numbers of contributory years. This amount represents 45.3% of the average wage and 89.3% (gradually reduced to 58% for workers with15 years of contribution) of the reference earnings for Portuguese Social Assistance, set yearly by law (around 100% of the poverty threshold in Portugal). This measure is not means tested; rather it forms a foundation (depending on years of contribution) for pension payments. The measure is indexed to the minimum income provided by social assistance (IAS). 3) Social Integration income – solidarity supplement for the elderly Entitlement criteria: means tested Amount: set at 350 € per month. The minimum income is based on residence and not on age or years of contribution. However, the amount equals 44.5% of the IAS, hence the elderly will rather obtain a minimum pension as mentioned under point 2.
RO	There are no specific minimum income guarantees in the pension system. 1) --

	2) -- 3) Social Assistance Entitlement criteria: means tested (per household). Amount: 173 RON (41.70 €) for households with 2 persons; up to 356 RON (85.80 €) for households with 5 persons; for a single person the monthly level is 96 RON (23.10 €).
SE	There is a residence-based flat-rate guarantee pension which is tested against other pension income. In the earnings-related part of the pension system, no minimum income guarantees are included. 1) Guarantee pension Entitlement criteria: 65 years of age, full amount is received after 40 years of residence Amount: The full amount of the guarantee pension is 774 € (2007). This represents approx. 27% of the average wage (2,831 € in the private sector) and approx. 83% of the poverty threshold in 2007 (928 €). Guarantee pension is proportional to the length of residence. It is tested against other pension income and price indexed. 2) -- 3) Maintenance Support for the Elderly above the age of 65. This allowance is means tested and amounts e.g. for a single person to a maximum of 414 € excluding housing costs in 2007.
UK	There is no universal minimum pension. The Basic State Pension is flat rate; the amount depends on the number of contributory years. A means-tested minimum income for pensioners is provided outside the pension scheme. 1) -- 2) The Basic State Pension (BSP) is a contributory flat-rate pension. Entitlement criteria: For the full amount of BSP women require 39 years of contributions, men 44. Amount: The full amount of BSP in 2008 is approx. 473 €/month (£ 91/week) for a single pensioner. This represents about 15% of the average wage and 56% of the estimated poverty threshold for 2008 (60% of median income). The BSP is price-indexed. *3)* Social assistance: A means-tested flat-rate supplement, Guarantee Credit (GC), is payable at age 60 for those with sufficiently low income (means-testing on household level). The GC is set at 648 €/month (£ 124/week) in 2008. The GC is wage-indexed.

Source: country profiles

Residence-based Minimum Pensions

An important aspect when evaluating the gender impact of residence-based minimum pension provisions is their universality, i.e. the fact that such pensions guarantee a pension to everybody who has lived in the country for a certain amount of time, that their payment does not require any contributory payments, that benefits are not means tested but only tested against income from other pensions.

Universal residence-based minimum pensions are granted in Estonia, Finland and in Sweden. These benefits are not means tested, but they are only provided from a certain age onwards in the case that no sufficient other *pension income* could be obtained. The minimum pension in Estonia is conditional on residence in the country of at least five years and on reaching the age of 63 years. It provides a flat-rate payment of about 15% of the average wage. Minimum pensions as provided in Finland and Sweden require a minimum period of 3 years of residence and an age of 65 years. The actual level of these benefits depends on the length of residence in the country. The full amount requires about 40 years of residence in the country and represents about 18% of the average wage in Finland and 27% of the average wage in Sweden, and around 50% of the poverty threshold in Finland and 83% of the poverty threshold in Sweden.

The number of countries providing for such universal benefits is limited. Flat-rate benefits provided are proportional to the length of residence[58] (apart from Estonia) and do not ensure an income above the relative poverty threshold.

Such universal residence-based minimum pensions are to the advantage of a number of women, as they are provided irrespective of the previous employment record. Women with a short or no employment record who would not be eligible for any other pension could rely on a residence-based minimum pension. In the countries in which they are provided, however, participation of women in the labour force is comparatively high (e.g. Sweden) and it is expected that the number of women who have to rely on a residence-based pension will even decrease in the future due to increasing employment-based pension rights.

Contributory minimum pensions

Contributory minimum pensions can only be claimed by those who are covered by the pension scheme and have fulfilled certain criteria, and are thus not universal, unlike the residence-based minimum pensions described above. Usually such contributory minimum pensions are linked to a certain insurance period. Such provisions, even if they seem gender neutral, might impact differently on women and men.

One can distinguish between three different types of contributory minimum pensions. Firstly, there are minimum pensions which are means tested. Secondly, there are flat-rate contributory minimum pensions which are provided in the case that a certain number of contributory years have been reached, though the amount does not depend on the actual number of contributory years. Thirdly, there are contributory minimum pensions which are granted in the full amount only in the case of a long insurance period and which are reduced proportionally in the case that the insurance record is shorter, with a minimum number of contributory years being required for eligibility even for a proportionally reduced amount.

The first type, a means-tested supplement which tops up low pensions can be found in Austria and Belgium. In Austria, beneficiaries need to be eligible for an old-age pension, i.e. this requires a minimum contributory period of 15 years; the limit up to which pensions are topped up represents approx. 80% of the poverty level. In Belgium, after 45 contributory years a means-tested minimum amount is granted at the level of the poverty threshold, the amount being reduced proportionally for a lower number of contributory years (the minimum contributory period is 30 years).

Secondly, the contributory minimum pension as provided in Hungary and Poland requires a minimum of 20 contributory years and provides for an amount of about 50% (Hungary) and 90% (Poland) of the poverty level. These benefits are – in comparison to Austria and Belgium – not means tested. In Italy, the minimum pension is linked to the comparatively shortest contributory period of only five years and provides a benefit of around 70% of the poverty threshold.[59]

The third type exist in Portugal, where the minimum contributory period required for obtaining a minimum pension is 15 years; the full amount at the poverty level is provided for 30 contributory years and reduced proportionally in the case that the insurance record is shorter.

[58] Dependency of the residence-based pensions on the actual length of residency might limit access of migrant women to such universal pensions or influence the amount of pension they receive. There are indications that the number of female migrants in the EU (often providing care services for elderly people) have increased recently; see Lutz (ed.), 2008.

[59] It is unclear whether this minimum pension will still remain in the reformed pension system.

Ireland and the UK also provide contributory flat-rate pensions to those having acquired a certain minimum insurance period, whose level depends, however, on the actual length of the insurance period.

It could be assumed that those pension schemes who link the minimum pension only to a shorter contributory period (as, for example, in Italy) and not to a longer period (as in Poland or Hungary) are more advantageous for women, in the case that women have shorter insurance records due to an interruption of the employment record for family reasons. At the same time it should be mentioned that in some of those countries in which longer insurance records are required for a minimum pension, special credits for women taking over family responsibilities are granted – e.g. the Home Responsibility Protection in the UK and the Homemakers Scheme in Ireland.[60]

Social assistance benefits

In some countries under analysis here, means-tested social assistance benefits are the only element of a minimum income guarantee in old age (Germany, Romania and Lithuania). These benefits represent approx. 80% (Germany) and 50% (Lithuania) of the poverty threshold. While in Germany and Lithuania the benefits are available for those above retirement age only, in Romania the social assistance benefit is a general means-tested benefit available to the general population.

A general social assistance allowance is available to persons in need above retirement age in Austria and Poland. Benefits are designed for the general population and can as such also be claimed by the elderly as long as their income/wealth does not exceed certain limits. The benefits for single persons amount to a maximum of 444 € in Poland (some 61% of the at-risk-of-poverty threshold) and to between 414 € and 532 € in Austria depending on the region in which the person is living (some 46 to 59 percent of the at-risk-of-poverty threshold).

Specific social assistance benefits only for the elderly in addition to other minimum income provisions are granted in Belgium, Ireland, Italy, Malta, Portugal, Sweden and the United Kingdom. The eligibility criterion to receive these benefits is age; benefits are means tested. The age at which social assistance benefits are paid varies from 60 years in the UK and 66 years in Ireland and is the same for women and men. Benefits vary from around 350 € in Portugal up to 886 € in Belgium and represent between some 44% of the at-risk-of-poverty threshold in Portugal and Sweden and about 82% in the UK.

Means-testing of minimum income provisions always take the household rather than the individual as a reference. Usually the civil status of the potential beneficiary impacts neither on means-testing nor the benefit level. Thus the household income influences whether or not a woman (or a man) receives means-tested social assistance benefits. This might continue the economic dependence of women in old age. Even if payments are low, a woman with her own income enjoys a stronger economic (and negotiating) position within a household.[61] In

[60] In the UK, Home Responsibilities Protection (HRP) protects rights to the Basic State Pension (BSP) limit while caring either for a child under the age of 16 or for a sick or disabled person. HRP reduces the number of qualifying years required for a full BSP but a minimum of 20 years of contributions are required. In Ireland, years spent caring for a child under 12 years old or for an incapacitated person are taken into account for up to 20 years when calculating the state pension entitlement. For more details see Table 8 below.

[61] An interesting development in this respect might be the recently introduced qualified adult allowance in Ireland which has to be paid directly to the dependent.

this respect it might be considered as positive for women when benefits are paid out individually so that both partners receive their share of benefits individually.

The impact of minimum income provisions on women: some concluding remarks

Residence-based and contributory minimum income provisions as well as means-tested social assistance benefits are important instruments to protect women (and men) from poverty in old age. It might be argued at the same time that in some cases such schemes and regulations represent a disincentive to work and could be a poverty trap for women, preventing them from building up (more of) their own employment-based pension entitlements. Nevertheless, in those countries in which residence-based minimum pensions are provided (Sweden, Finland and Estonia), participation of women in the labour force is high; so at least in this respect there seem to be no work disincentives.

The design of contributory minimum pensions and the related eligibility criteria as well as income/means-testing regulations in the pension schemes have consequences for the individual income situation of women. A requirement for a certain number of contributory years should ensure that sufficient work incentives exist to allow contributions to a pension scheme. This also applies to those systems in which a proportional reduction of contributory minimum pensions exist in the case of shorter contributory periods (Belgium, Portugal, Ireland and the UK). At the same time, such regulations might limit access to benefits for those with shorter contributory periods and thus affect women more than men. In that respect it is very important that periods of care or part-time work are taken into account as regards eligibility for the minimum pension, such as is the case in the United Kingdom or Ireland. In Belgium a recent change has been introduced that means that periods of part-time work are included in the qualifying periods, which was not provided for earlier.[62] This will considerably ease the access of women to minimum income provisions in the future.

All minimum income provisions for old age only prevent poverty when the actual benefit level reaches the poverty threshold. Only in Belgium and Portugal is the benefit level set at about 100% of a (national) poverty threshold and also here only for contributory minimum pensions. In all other countries the different forms of minimum income provisions do not provide adequate protection against poverty as they are lower than the at-risk-of-poverty rate.[63] A comparative and systematic review of the relation between minimum income provisions in old age and national or international poverty thresholds is still missing, however. This might increase the understanding of how minimum provisions actually contribute to the reduction of poverty in old age.

Means-tested minimum benefits are frequently indexed to prices or discretionary only. If benefits are not indexed or the indexation is discretionary only, they might relatively decrease in relation to average earnings.[64] Thus, the relative income position of pensioners worsens.[65] This could be particularly relevant for women, as they have lower pensions and on average

[62] Everybody with a full employment history who has worked full-time or at least for 68.5% of full-time each year is entitled to a minimum pension benefit. If the employment history covers at least two thirds of a full employment history (i.e. 30 of 45 years) and if each year shows at least a. part-time employment for 50% the pensioner is entitled to a reduced minimum pension (reduction of 1/45 for every year missing from a full employment history).

[63] It should however be taken into account that for the purposes of this study only cash benefits were considered. Cash benefits together with benefits in kind might in some countries provide a benefit level closer or even above the at-risk-of-poverty level.

[64] This actually depends on the indexation rules in different components of a pension system and how prices and wages develop comparatively.

[65] See European Commission (2006a:30)

live longer than men and the gap between pension payment and average earnings increases with age. As the oldest among elderly women are disproportionately affected by poverty, indexation of pensions is an important instrument to safeguard against poverty in old age.[66]

Minimum benefits can be an instrument to prevent pensioners from poverty, but they may not be sufficient. In particular, they will not ensure the levelling out of income differences between women and men. When addressing effective measures to offset gender inequalities in old age, the discussion should not focus solely on minimum benefits, but should take into account other elements of the pension schemes described below.

3.2. Regulations in Earnings-related Pension Schemes and their Impact on Women

In earnings-related pension schemes various factors impact on the pension income of women and do so differently than on the pension income of men, because earnings-related pension schemes mirror income and employment gaps between women and men.

Earnings-related pensions are linked to employment. They strive to ensure income replacement (to a certain degree) after retirement. The task of pension systems to maintain the standard of living in old age is emphasized in the OMC common objectives.[67] The actual link between former income and the pension payment, however, is quite different across the Member States. To what extent pensions are linked to former income depends on the degree of redistribution within the pension formula, whether periods other than formal employment periods are considered in the contribution record and the overall level of pension payments.

As has been described in chapter two of this study, earnings-related pensions are of particular importance for the income of women in old age. Furthermore, the link between labour market patterns and pension outcomes is a central factor with regard to the pension differences between women and men.[68] Therefore, measures to offset gender inequalities in old age in earnings-related pension schemes will be analyzed in detail below.

Measures to level out pension inequalities between women and men in earnings-related pension schemes could include, on the one hand, general redistributive features of the pension scheme, e.g. the pension formula and eligibility criteria, or on the other hand specific compensatory measures[69] to improve women's pension income such as credits for non-contributory periods or benefits related to marital status (e.g. child care credits or survivors' pensions).

[66] See chapter 2, section 3.
[67] Objective g: adequate retirement incomes for all and access to pensions which allow people to maintain, to a reasonable degree, their living standard after retirement, in the spirit of solidarity and fairness between and within generations;
http://ec.europa.eu/employment_social/spsi/docs/social_inclusion/2006/objectives_en.pdf
[68] See chapter 2, section 5.
[69] Such measures are usually linked to certain conditions and should in principle benefit both men and women who take care of family responsibilities. In most of the Member States, such regulations are also formulated in a gender-neutral manner. In this study we mainly refer to women, because it is still mainly women who are affected by interrupted working careers due to family responsibilities and who subsequently have lower pension incomes.

3.2.1. General Design of Earnings-related Pensions

Minimum Contributory Periods

Minimum contributory periods limit access to a pension scheme. Pensions can only be claimed after a certain minimum period of contributions (i.e. years spent in employment or other periods during which contributions are paid). While such minimum requirements have actually been introduced to prevent individuals with only a short contribution period benefiting from redistributive elements of a pension scheme, those with interrupted working careers and shorter insurance periods could be excluded from claiming benefits due to long minimum contributory periods. This might thus impact more often on women, because women predominate among part time workers and are generally the ones who take a career break due to family responsibilities.

There are two important developments regarding such minimum requirements in European pension schemes.

One is that with a strengthened link between contributions and benefits in pension schemes and an orientation towards defined-contributions (DC) schemes, the minimum contributory periods become increasingly obsolete. In defined-contribution schemes the contribution is fixed while the pension to be paid depends on the investment strategy and the particular rate of return. In contrast, in defined-benefit (DB) schemes the pension benefit is fixed from the beginning, leaving the provider with a higher risk. Thus in DC schemes, shorter contribution periods will result in lower pensions. This principle is particularly marked in notional defined contribution schemes (NDC).[70] Poland, with its transitional rules from the old DB system to a NDC system, is an illustrative example: While the minimum years of contribution for the old system were rather high in the old system (20 years for women and 25 years for men), there are no minimum requirements of membership in the new NDC system.

A second development can be observed regarding the definition of contributory years. Whereas previously it was mainly employment periods (and certain periods of employment gaps such as periods of education and unemployment) that were taken into account in the minimum contributory period, in recent times this definition has been broadened in some countries to include family responsibilities. Today, periods spent taking care of children and – to a lesser degree – other dependents are taken into account as contributory years to a larger extent than before.[71] A further dimension is the attempt to improve access and coverage for part-time workers or other forms of employment which were formerly not covered.[72]

Access to the pension system is easier for women if these minimum contributory periods are shortened and/or periods of non-employment (e.g. child care) are taken into account for the minimum period. Thus, shorter minimum contributory periods are to the advantage of women, large numbers of whom tend to have interrupted employment records.

[70] An NDC system differs from a DC insofar as in NDC schemes the capital accumulated in the individual account is only fictitious (notional) and the rate of return is determined by the system and not by the investment strategy.
[71] For a detailed discussion see section 3.2.2. below.
[72] One example is the voluntary inclusion of low-paid jobs (400 Euro-Jobs) in Germany. A simplified procedure for social insurance has been introduced for those jobs and might help – mostly women – to accumulate pension rights. Employees with income below 400 € can opt for coverage under the public scheme. They can supplement the employer's contribution rate of 15% (which is obligatory even for these jobs) up to the regular contribution rate of 19.9%.

Retirement Age

In chapter 2, in which the relevance of the retirement age for women was addressed,[73] it was suggested that against the background of recently implemented pension reforms increasing the retirement age for women to the level of that of men is important. Because of the strengthened link between contributions and benefits a low retirement age will lead to low pension claims and put women at risk of poverty. This tendency is increased by the fact that women tend to have lower earnings and thus lower contributory payments than men anyway. Hence the development of statutory retirement age in earnings-related pension schemes will be looked at more closely here. Traditionally, in many pension schemes women were allowed to retire earlier than men. This was generally considered as a measure to compensate for the double burden of family duties and employment, but only if these schemes gave higher or same benefits at earlier retirement. However, in the last decade these differences in retirement age for women and men have been questioned and levelled out incrementally. The main argument was not only that women in most EU Member States have a longer life expectancy than men and are advantaged twice by earlier access to pension schemes and longer pension payments, but also that a lower retirement age and shorter contributory periods result in lower pensions for women. The increase of the retirement age was seen as a crucial measure to offset gender inequalities in old age and reduce women's risk of poverty.
The following table gives an overview of the retirement age of women and men in the countries under review:

Table 7: Statutory retirement age in 15 EU Member States, 2008

Country	Women	Men
AT	60 (raised to 65 by 2033)	65
BE	64 (raised to 65 by 2009)	65
DE	65 (raised to 67 by 2029)	65 (raised to 67 by 2029)
EE	60.5 (raised to 63 by 2016)	63
FI	63-67 (flexible)[74]	63-67 (flexible)
HU	62 (by 2009)	62
IE	65/66 (contributory/flat-rate pension)	65/66
IT	60/ insured since 96: 57-65 (flexible)	65/ insured since 96: 57-65 (flexible)
LT	60 [75]	62.5
MT	60 (raised to 65 by 2027)	61 (raised to 65 by 2027)
PL	60	65
PT	65	65
RO	58 (raised to 60 by 2014)	63 (raised to 65 by 2014)
SE	61-67 (flexible)	61-67 (flexible)
UK	60 (raised to 68 by 2046)	65 (raised to 68 by 2046)

Source: Country profiles

[73] See chapter 2.
[74] A person can choose his / her age of retirement within a given corridor (here: between the ages of 63 and 67).
[75] According to the National Strategy Report on Adequate and Sustainable Pensions for Lithuania (2005) retirement age in Lithuania should be raised to 65 for both sexes by 2026. In the NSR 2008 this issue is mentioned again, however such a change seems to be not yet legislated.

The table illustrates that there is still a wide range of retirement ages for women across Europe. Women can retire for the standard pension between 58/60 and 67 years. In general, there is a tendency to lift the retirement age for both sexes (as it has recently been legislated in Germany or Malta), to raise the lower retirement age for women to that of men (Austria, Belgium, Estonia, Hungary, UK) or to establish a flexible retirement age especially in those countries which have introduced a notional defined contribution system (NDC) (Sweden, Italy). At present, there are still three countries (Lithuania, Poland and Romania) in which the retirement age of women is and will remain lower than that of men.[76]

In addition it should be taken into account that the statutory retirement age often does not reflect actual retirement access to the pension scheme. In some of the Member States more than 50 percent of insured persons retire before reaching the official retirement age.[77] Options for early retirement might differ for women and men for a number of reasons. Firstly, early retirement access is linked in some countries to a certain number of contributory years. Due to shorter insurance careers, women's access to early retirement schemes could be limited. Secondly, in some countries early retirement options might allow easier access for men, because more men than women work for large companies where negotiated early retirement options exist. The exit from the labour market via sickness and disability benefits might exhibit a gender bias as well, depending on the disability pension regulations and the disability assessment scheme.[78] On the other hand, there are incentives for women for certain early exit pathways. In particular the design of survivors' pension schemes and the respective regulations regarding possibilities to combine benefit receipt with earnings from work might encourage women to make an earlier exit from the labour market.[79]

Raising the retirement age might be an incentive for women to work longer. The measure will be particularly important for women in those countries in which a stronger link between contributions and benefits has been introduced, because longer periods of contribution payments will result in higher pension payments. However, as long as labour market structures do not allow for elderly women to remain in the labour market, the higher retirement age will not result in higher pensions, but simply in later access to the pension system and lower pension payments compared to men. It is therefore important to monitor whether employment options for women improve in parallel with the increased retirement age.

Contributory Years and their Extension

While the retirement age is presumably the single most important aspect within a pension system that determines the age from which on benefits might be drawn, contributory years are of high importance in determining the entitlement to benefits and their amount. While the aspect of minimum contributory periods has already been discussed above, the link between the number of contributory years and the connection to the amount of benefits paid will be discussed here. To do so we have to distinguish between defined benefit (DB) schemes and notional defined contribution (NDC) systems as the trends and effects differ between these systems.

[76] Lower retirement ages for women have existed in most of the Central and Eastern European Member States. There is still one country (Czech Republic) in which retirement age is linked to the number of children, see Fultz/Ruck/Steinhilber 2003.
[77] European Commission (2008b).
[78] Access to disability pensions is often conditional on a minimum contributory period. Furthermore, the definition of disability differs across countries and might impact on the actual access to disability pensions. See also European Commission (2008a).
[79] European Commission (2008a:39pp.)

In defined benefit schemes there is a trend to extend the period to be considered and to link pension payments to lifetime earnings rather than to just a few (best or last) years of income (see Hungary, Belgium, Malta, Estonia). This measure, which aims to strengthen the link between contributions and benefits and to restrict redistribution, is at first sight a gender-neutral measure, but it might impact negatively on women due to their lower income and shorter contributory periods.

Strong contribution-benefit links have been introduced in the earnings-related pension schemes in Sweden, Poland and Italy with a notional defined contribution (NDC) system. Benefits are determined by the accumulated pension capital and calculated taking into account life expectancy at retirement, i.e. the number of months that statistically a person is expected to live is divided by the accumulated capital. Life expectancy in all countries is calculated according to unisex tariffs. Due to the longer life expectancy of women the latter represents redistribution in favour of women in general. On the other hand however, NDC schemes with a strong link between contributions and benefits and less redistributive elements do not benefit women due to their lower incomes, more frequent part-time work and interruptions in their employment career because of care obligations.

A different weighting of contributory years in the employment record might impact on women and men differently as well. While the “few best years” solution could be as beneficial for women as for men, the “best last years” solution usually is more advantageous for men than for women, since the income of elderly men is higher due to uninterrupted employment careers and a steeper age-wage profile compared with women. In that context, the Finnish regulation to accrue earnings between the years 53 and 67 at a higher rate, in the first instance as an incentive to increase labour market participation, could be disadvantageous to women. On the other hand, the higher accrual rates for later employment years might allow women to balance out former employment breaks. The latter argument is also a point for discussion in the case of Italy, where consideration of all employment years is seen as a positive measure for women, because the previous calculation of benefits based on only the last few years was to the advantage of those with the most dynamic careers (i.e. men).[80] In the end, the effect of different weighting of contributory years in the pension calculation will depend on the age-wage profiles of women and their employment patterns and does not allow for a general conclusion as regards whether one or the other rule is beneficial for women or not.

Further Redistributive Elements in the Pension Formula

A special measure to increase the pension of low earners is to upgrade insured income under certain conditions. In Belgium, years with low income are upgraded to a certain amount on the condition that the person’s employment constituted at least one third of a full time job and that at least 15 years of employment were accumulated. Such measures might be particularly beneficial for part-time workers. A similar regulation existed in Germany, but was abandoned as early as 1992.

[80] In fact, the detailed technical regulations and definitions of earnings which are actually taken into account in the pension formula can, in particular in combination with regulations stipulating the contribution base (i.e. what income is “taxed” by the contribution base), have quite different distributional effects. If contributions are levied on the full income (without any limit) whereas earnings determining the pension benefits are considered only up to a certain limit, this redistributes from higher to lower income.

The pension formula might also entail other redistributive aspects, such as a base amount in Lithuania (providing a flat-rate amount which is supplemented by an earnings-related component). Again, this measure is formulated neutrally but might be more beneficial for women due to its redistributive character; as such a flat-rate amount is not linked to the former income and contributions, but provided to all pensioners qualifying for a pension.

Finally, a measure which redistributes to the advantage of women are unisex mortality tables in case life expectancy is considered in the pension formula of a public scheme, as women usually live longer than men.

3.2.2. Credits for Non-contributory Periods

Credits for non-contributory periods in earnings-related pension schemes are basically linked to certain periods during which employment is interrupted for specific reasons such as unemployment, sickness or certain family obligations. While periods of sickness and unemployment are in principle gender neutral and do not impact on women specifically, regulations concerning employment breaks due to family obligations (child care or other care) are particularly important for women as they aim to offset gender inequalities.

Child Care Credits

Care credits for children in pension schemes differ considerably from country to country. In this study, we distinguish between credits based on maternity leave (credits for a shorter period of employment interruption linked to giving birth to a child and frequently only granted to a mother) and other child care credits (including those sometimes “labelled” parental leave and provided for longer periods, but not necessarily conditional on the interruption of employment). In practice, it is not possible to make a clear further distinction between the various forms of credit due to varying terminology, features and pension systems.

The following table gives an overview of the existing measures and available credits linked to giving birth and raising children in the 15 countries under analysis:

Table 8: Child care credits in 15 EU Member States, 2008

Country	Duration, level and entitlement criteria for credits
AT	a) Credit for maternity leave: Duration: 16 weeks (8+8, i.e. 8 weeks before and 8 weeks after giving birth) Credit level: 100% of income is recognized Beneficiary: mother Parallel employment: no b) Child care credit Duration: up to 4 years per child Credit level: granted assuming an income of 821 € per month (in 2008, rising 2% until 2028) Beneficiary: the father can only benefit if mother waives her entitlements Parallel employment: yes, up to the maximum amount of pension credits Other: Parents can split their contributions during child care periods i.e. the employed parent shares contributions with the caring parent Until 2015, child care reduces the period of best years on which the

	pension calculation is based by a maximum of 3 years per child
BE	a) Credit for maternity leave Duration: 15 weeks (7+8) Credit level: 82% of income is recognized for the first 30 days, thereafter 75% Beneficiary: mother Parallel employment: no b) Credit for statutory care leave (congé paternal) Duration: three months (or 6 months half-time or 15 months 1/5 of working time) before the child is 6 years old Credit level: granted for 3 months at 100% of previous wage Beneficiary: mother or father Parallel employment: yes, see duration c) Credit for paid leave from employment for reasons of child care (credit temps) Duration: granted for up to 12 months (up to 36 months if collectively agreed); if 12 months taken for first child no months are credited for second child Credit level: at 100% of previous wages Beneficiary: mother or father Parallel employment: possible, leave can be taken half-time or as a reduction of a full-time employment by 1/5 Both child care options can be combined consecutively.
DE	a) Credit for maternity leave: Duration: 14 weeks (6+8) Credit level: 100% of income is recognized Beneficiary: mother Parallel employment: no, but additional child care credits after birth b) Child care credits Duration: the first 36 calendar months after the month of birth Credit level: contributions are made based on average earnings and regardless of any employment undertaken during the 36 months period (i.e. the credits can be added up with credits gained from employment). Beneficiary: credits normally go to the mother; father might benefit if he is the main carer and the mother agrees Parallel employment: yes, up to the maximum amount of pension credits c) Additional credits for child care Duration: as long as one of at least two children is below the age of 10 Credit level: 33% of the contributions based on average earnings Beneficiary: mother or father Parallel employment: no d) Additional credits for child care Duration: as long as at least one child is below the age of 10 Credit level: topping up the contributions from part-time work by up to 50% to maximum contribution based on average earnings Beneficiary: mother or father Parallel employment: part-time work required Cases c) and d) are only applicable if the person has accrued at least 25 years of contributions. Child care options can be combined.
EE	a) Child care credit (regular) Duration: until the child reaches 3 years of age Beneficiary: one of the parents (mother or father) or guardian Parallel employment: permitted (no restrictions) b) Child care credit (disabled child) Duration: until the disabled child reaches 16 years of age (18 years in the case of severe or profound disability) Beneficiary: one of the parents (mother or father) or guardian

	Parallel employment: not permitted c) Child care credit (large family) Duration: in case of three or more children under 19 years, until the youngest child reaches 8 years of age Beneficiary: one of the parents (mother or father) Parallel employment: not permitted d) Child care credit (very large family) Duration: seven or more children under 19 years (as long as the criteria are satisfied) Beneficiary: one of the parents (mother or father) or guardian Parallel employment: permitted (no restrictions) Credit level (all cases): contributions paid by the state on the basis of monthly rate fixed by the state budget. In 2008 this was 173 €, corresponding to about 20% of the average wage.
FI	Credit for maternity, paternity and parental leave Duration: as long as the respective social security benefit (maternity benefit, paternity benefit or parental benefit) is paid: o maternity benefit 105 days o paternity benefit up to 18 days o parental benefit 158 days for one child, additional 60 days for each following child Credit level: pension is accrued (accrual rate 1.5%) from 117% of the earnings, which serve as the basis for calculating the maternity, paternity or parental benefit (between 70% and 90% of previous taxable salary, subject to a minimum of 523.61 €). Beneficiary: parent receiving respective social security benefit (mother or father) Parallel employment: part-time work permitted, but the credit level is reduced accordingly.
HU	There are four different forms of child care credits, named: pregnancy-confinement benefit, child care allowance, child raising support and child care fee. Parents can choose between the second and the third. a) Credit for pregnancy – confinement benefit: Duration: 24 weeks Credit level: contribution base amounts to 70% of the general daily average gross earnings of the previous year Beneficiary: women (provided they were insured in the compulsory social insurance scheme) Parallel employment: not possible b) Credit for child care fee: Duration: for children up to two years of age Credit level: contribution base amounts to 70% of the previous wage (maximum 70% of the doubled minimum wage) Beneficiary: either parent (provided they were insured in the compulsory social insurance scheme) Parallel employment: not possible c) Credit for child care allowance: Duration: 3 years (until child turns three) Credit level: contributions based on minimum pension Beneficiary: mother or father Parallel employment: possible if a child is at least one year old d) Credit for child rising support: Duration: until youngest of at least three children turns eight Credit level: contributions based on minimum pension Beneficiary: mother or father Parallel employment: possible
IE	a) Credit for maternity: Duration: during paid maternity leave, Pay-Related Social Insurance (PRSI) contributions are deducted. If unpaid leave is taken, credits are

	allowed for up to 16 weeks. b) Child care credits in Old Age Contributory Pension Duration: until youngest child is 12, if earnings of the beneficiary are less than 38 € per week Credit level: Homemaker Scheme (HS) reduces the number of qualifying years required for a full flat-rate Old Age Contributory Pension but a minimum of 20 years of contributions are required. Beneficiary: either parent Parallel employment: only marginal employment possible
IT	Credits for maternity / paternity Duration: up to 6 months (until child turns 3) Credit level: figurative contributions based on previous individual earnings Beneficiary: mother or father but together not more than 6 months Parallel employment: not allowed In case of sickness of a child or care for children below the age of 8 for low income earners figurative contributions based on twice the minimum pension are credited while for other workers voluntary contributions are allowed
LT	Credits for child care Duration: up to 3 years (until child turns 3) Credit level: contributions by the state based on the minimum monthly salary Beneficiary: mother, father or guardian Parallel employment: not possible
MT	Credits for maternity: Duration: 14 weeks, of which 2 must be before the birth Credit level: contribution base is the maternity benefits paid within the social insurance system Credits for child care Duration: 2 years Credit level: treated as contributory period with contributions based on the individual's contribution average calculated at retirement Beneficiary: mother or father Parallel employment: not allowed
PL	a) Credit for maternity/paternity: Duration: 18 weeks (20 weeks for second and following children, 28 weeks for multiple birth), gradual increase up to 26 weeks in 2014 (20 weeks would be obligatory) and 39 weeks in 2014 for multiple birth (31 weeks would be obligatory); paternity leave (for fathers only) – 1 week in 2010, 2 weeks from 2011 onwards (until the child is one year old), Credit level: contributions credited at the level of the maternity/paternity benefit equivalent to previous earnings (average earnings from last 12 months) Beneficiary: mother or father (mother has to take at least 14 weeks) Parallel employment: not possible; if a mother/father has more than one legal entitlement e.g. from two or more employment contracts) to the maternity benefit she/he receives more maternity benefits. She or he can also decide to undertake paid work (based on one of the previous employment contracts) being still on maternity leave. In this case her or his maternity benefit is reduced proportionally Parallel employment: during the last 6 (8 for multiple births) weeks of maternity leave (a voluntary part of the maternity leave), she or he are eligible to work part time (not more than half of the previous working time) b) Credits for child care: Duration: 3 years (until the child turns 4) Credit level: contributions paid by the state on the basis of the minimum wage (2009-2011), and previous individual earnings, but max. 60% of the average wage in the economy from 2012 onwards

	Beneficiary: mother or father Parallel employment: possible (part-time employment in case of employment contract on which parental leave is based; full-time employment in case of other "additional" working contracts); no title to the pension credits in case of any income from paid work
PT	Credit for maternity benefit Duration: 120-150 days Credit level: Contributions are paid based on maternity leave benefit (maximum 120 days of 100% earnings or 150 days of 80% earnings). A limited number of the days are available for the father Parallel employment: not possible
RO	Credit for child care Duration: up to two years Credit level: proportional to the cash benefit (85% of the gross average wage) Beneficiary: mother or father Parallel employment: not possible
SE	a) Credit for child care: Duration: max. 480 days, includes maternity leave Credit level: pension contributions are paid based on the parental leave benefit (replaces around 80% of former individual earnings). b) In addition, 4 years of child care credits are granted for each child in three alternative schemes of which the best one is chosen automatically: 1) the credit covers income losses up to a maximum ceiling 2) the credit covers 75% of the average income, or 3) a credit based on one income base amount is added to the actual contributions paid from earnings. The credits are available for mother or father. Parallel employment: possible
UK	a) Credit for maternity leave Duration: 9 months Credit level: National Insurance (NI) contributions are paid on the basis of maternity pay. For the first 6 weeks this is 90% of the gross average weekly earnings and for the remaining 33 weeks it is the lower of 90% or £ 117/week. In the earnings-related State Second Pension (S2P), paid maternity leave is pensionable as well; occupational pension contributions, based on maternity pay, must also be paid by the employer (and the employee). Parallel employment: not possible b) Child care credits (Home Responsibility Protection HRP): Duration: until the child is 16 for those earning less than the Lower Earnings Limit (LEL) while caring for a child aged under 16, or for a sick or disabled person for at least 35 hours/week. Credit level: HRP reduces the number of qualifying years required for a full BSP but a minimum of 20 years of contributions are required. c) Child care credits/S2P: Duration: until the youngest child is 6 (12 from 2012 onwards) Credit level: based on a notional income of £13,624 p.a. in 2008. From 2010, the care credits in S2P will be improved. Credits will be available to someone (earning less than £87/week) who is caring for a child aged up to 12 or caring for a qualifying sick/disabled person for at least 20 hours/week. It will be possible to combine periods of caring and working within a tax year without losing credits. These child care credits are available for the main carer (father or mother).

Source: country profiles

The table above provides an overview of existing measures and credits available with regard to maternity and child care. It describes those regulations regarding statutory earnings-related public pension systems. The treatment of non-contributory periods in privately managed schemes is discussed below. Looking at the specific regulations within each country's pension system, sizeable differences can be found with regard to the duration and the level of compensation.

Credits which are granted for the period of maternity leave are generally limited to a shorter period which varies between 14 weeks (Germany) and 9 months (UK). In most of the countries under analysis, the credits are linked to maternity benefits, which are based on the individual previous salary. The credit thus fills the gap which would otherwise arise due to the interruption in employment. Such credits basically ensure that the shorter interruptions of employment resulting from giving birth to a child do not impact negatively on women's pensions. In some countries, part of the maternity leave could also be taken by the father (for example, Italy and Poland). In other countries, no specific regulations regarding maternity leave exist and the immediate period before and after giving birth to a child is included in parental leave regulations (for example Sweden and Estonia).

Duration of child care credits which go beyond a short maternity leave period vary considerably among countries. Whereas in some countries (Belgium, Italy) periods are limited from three to twelve months, many countries provide credits for about two/three years (Austria, Germany, Estonia, Finland, Hungary, Lithuania, Malta, Romania and Sweden).

The other even more important aspect is the calculation basis for child care credits. Again, there are large differences between the various national systems. In principle there are two different approaches – linking the credit either to an individual's previous income or to a general reference value. In Belgium and Italy, 100% of previous income and in Finland approx. 80% are taken into account. In Hungary, credits are provided at the level of 70% of the previous income. Such credits oriented towards former individual income ensure a more or less continuous contribution record during periods in which employment is interrupted.

Other countries link child care credits not to previous individual earnings but to an average reference value. Again, large differences between the countries affect the level of credits and the subsequent impact on the pension level considerably. For Germany, 100% of the average income is the reference, while in other countries a lower threshold is applied (Austria, Romania). In a number of countries the credit level is rather low (40% of the minimum wage in Poland, 20% of the average wage in Estonia). If credits are oriented to the full average wage, such credits will close a gap in contributions due to employment interruption. Women will only be disadvantaged if their previous income was higher than the average wage. For those women with an income below the average, such a credit will be advantageous. If credits are only provided as a fraction of the average wage, the interruption in employment will result in lower pensions. Thus the actual value of the compensation mechanism differs significantly and could be rather low in some countries.

Finally, there are countries in which different credit options are offered (Hungary, Sweden). In Hungary, those interrupting employment can opt for credits based on the previous salary (up to a relatively low maximum) while those choosing parallel employment receive (lower) credits based on the minimum pension. Sweden provides for different alternatives and the most beneficial calculation method for the individual woman (or man if his income is lower) is chosen. If she has been a low income earner, child care credits are provided on the basis of average income; if her income was higher, her previous individual earnings are taken into account.

Another important aspect is to what extent the care credits provided do or do not allow for parallel employment. In many systems, credits can only be claimed if the caring person cares (almost) exclusively for the child. In other words little or no possibility exists to combine family work and employment. This might result in longer employment interruptions and impact negatively on the working career of women, creating difficulties in re-entering the labour market and leading to lower salaries. In a few countries child care credits are connected to the birth of the child rather then to the absence from the labour market, e.g. in Germany child care credits are granted not matter if the beneficiary is employed or not. In some countries part-time work is allowed or even encouraged. In Belgium, for example, the statutory care leave and associated pension credits can be prolonged if working part-time; in Germany, part-time work for carers of a child between 3 and 10 years of age receive a top-up to the value of 50% of their pension rights acquired by part-time work.

As child care credits in many countries have been introduced or upgraded fairly recently, it will take a few decades until women profiting from the measures retire. Women beyond the age of child-bearing and caring for young children will in most cases not benefit from the newer regulations as in almost all countries the improved measures are not applied retro-actively.

Other Care Credits

Whereas child care credits exist in all of the countries analyzed, credits for other forms of care are not yet particularly widespread throughout Europe. Where they exist, they have been introduced more recently. Acknowledged forms of care other than child care are care for elderly and disabled persons, palliative care and care of severely ill family members. Since these forms of care within the family are mainly provided by women, they represent another important measure to improve the pension income of women.

The following table gives more detailed information on care credits for other forms of care.

Table 9: Credits for other care, 2008

Country	Level and entitlement criteria for credits
AT	Privileges are provided for a person caring for a frail or disabled family member and for palliative care of a family member Contributions: In the case of care of a frail and disabled family member, voluntary contributions on a reduced rate can be paid. Up to 100% of the contributions are paid by the state for up to 4 years depending on the grade the person that requires care is allocated by the care insurance.
BE	a) Paid leave from employment for reasons of care (credit temps) Contributions: Granted for up to 60 months at 100% of previous wages but only if person is over 50 and still works part time b) A palliative care leave of maximum of three months and a leave for medical assistance of a severely ill family member for two months Contributions: 100% of previous wages for both.
DE	Care for family members who receive benefits from the care insurance Contributions: Between 26 and 80% of the contribution from an average wage for at least 14 hours of care per week is granted if the person receiving care is receiving benefits from the care insurance. Additional part-time employment is allowed (up to 30 hours per week).

HU	Periods of care of the elderly or disabled persons Contributions: The contribution base amounts to the nursing fee, or at least minimum pension if i.e. if the person in need is severely disabled or under 18 and permanently ill, or at least 80% of the minimum pension if the claim is based on the discretionary decision of the local authorities (i.e. if the person in need is over 18); part-time work (up to 4 hours a day) or work at home (without any restrictions) is permitted during the time that the nursing fee is received.
IE	Credits for caring for an incapacitated person Duration: Time spent caring for an incapacitated person. Credit level: Homemakers Scheme (HS) protects rights to the Old Age Contributory Pension for those earning less than 38 € per week while caring for an incapacitated person. HS reduces the number of qualifying years of Pay-Related Social Insurance (PRSI) contributions required for a full Old Age Contributory Pension but a minimum of 20 years of contributions are required.
IT	Periods of care for sick or disabled close relatives for a maximum of 2 years (total maximum) Contributions: no credit provided but voluntary contributions possible
LT	Periods spent caring for a person with total invalidity at home. Contributions: covered by the state for both the basic and the supplementary part of social insurance system, contributions at the level of minimum wage
PL	Periods of care of elderly or disabled Contributions: Care of disabled persons – at the level of the nursing benefit for care of a disabled individual (37% of the minimum wage) provided the carer is entitled to nursing benefit (i.e. has no disposable income above the social assistance threshold); if not he or she can pay pension contributions voluntarily (provided no other insurance entitlement existed) Care of the elderly – at the level of the social assistance threshold (42% of the minimum wage) for caring of elderly people but only until the qualifying period for the minimum pension is met. No contributions are paid if the carer has a disposable income above 150% of the social assistance threshold, or has another insurance entitlement or is above the age of 50 and has less than 10 years of social insurance.
UK	Credits for caring for a sick/disabled person (BSP) Home Responsibilities Protection (HRP) protects rights to the Basic State Pension (BSP) for those earning less than the Lower Earnings Limit (LEL) while caring for a sick or disabled person for at least 35 hours/week (as of 2010: at least 20 hours/week). HRP reduces the number of qualifying years of National Insurance (NI) contributions required for a full BSP but a minimum of 20 years of contributions are required. Credits for caring for a sick/disabled person (S2P) In State Second Pension (S2P) caring for a qualifying sick/disabled person for at least 35 hours/week is credited into the scheme as if the carer were paying contributions on earnings of £ 13,624 p.a., 16,349 € (in 2008).

Source: country profiles

Credits for forms of care other than childcare are granted in a smaller number of countries. Where care credits are provided they do not refer to previous individual earnings but to a general reference value such as the average wage or minimum wage or they are considered as contributory periods for minimum income guarantees (UK, Ireland). In Italy, no credits are granted, however there is a possibility to remain in the pension system and pay contributions on a voluntary basis for a maximum of two years. No credits for other forms of care are granted in Estonia, Finland, Sweden, Romania and Portugal.

The acknowledgement of care in the pension scheme depends almost everywhere on the official recognition that a person requires care and/or eligibility for caring allowances. Other qualifying conditions are often rather restrictive. In the case of Ireland and the United Kingdom it applies only to full-time care, in Germany at least 14 hours of care are required. In Poland a number of criteria have to be met essentially limiting access to those that might acquire minimum pension entitlements during caring periods.

In summary, caring credits for care of elderly persons do not exist in all pension systems and are limited in scope where they do exist. Instead of stressing income replacement, most measures have to be seen in the light of providing women with their own limited pension entitlements. Their impact on the pension amount will be rather limited.

3.2.3. Regulations Related to the Marital Status of Women

Traditionally, pension systems were intended to at least partly substitute the former income of workers. In societies dominated by a male breadwinner model the recipients of pensions were primarily men. Women were mostly dependent family members and had to rely on derived pension rights. These traditions were reflected in pension systems and regulations related to the marital status of women were and still are of prime importance for women in many countries. The single most important area is without doubt survivors' benefits, which exist nearly everywhere. We will also present different regulations on spousal benefits and on cohabitation and divorce and discuss their relevance.

Survivors' Benefits

Survivors' benefits in pension schemes are still a very important means of securing the income of surviving women in many countries. Due to the fact that the life expectancy of women is higher than that of men in many countries many more women benefit from survivors' pensions than men. Survivors' pensions have been and still are a fairly controversial matter for discussion. On the one side they provide a large number of women with pension income that is higher than the income from their own pension would be and thus enable them to more or less maintain their standard of living after the husband has died. On the other hand survivors' pensions do not protect single or divorced elderly women and are seen as indirect pensions which provide disincentives for women to build up their own individual pension rights, and are based on a working model with a male breadwinner.

The survivors' pensions in the countries under analysis differ in level, qualifying conditions and duration of payments. The following table gives an overview of regulations related to survivors' benefits in the 15 countries.

Table 10: Regulations regarding survivors' benefits in 15 EU Members States, 2008

Country	Level and entitlement criteria regarding survivors' benefits
AT	Entitlement criteria: 15 contribution years or 25 non-contributory years of the deceased (this is shortened if deceased was below pensionable age) Amount: Between 0 and 60% of the deceased's pension depending on the income relation of the deceased and the surviving partner (0% if income of survivor is 2.3 times higher, 40% if both had an equal income, 60% if income of deceased is 3 times higher) Duration: Without limit if a) a child was born during marriage or b) marriage lasted for 10 years if survivor is below 35 or c) marriage lasted between 2 and 10 years depending on age difference of partners if partner is already in

	pensionable age; pension ceases after remarriage For 30 months if survivor is below 35 or deceased was already of pensionable age when the marriage took place
BE	Entitlement criteria: Survivor is 45 and older or cares for a dependent child or is incapable of work (at least 66%); survivor was also married for at least one year Amount: 80% of the insured person's pension if the deceased had already been receiving the pension; 60% of average annual income of deceased if deceased was not yet receiving a pension; income tested Duration: Without limit if entitlement criteria are fulfilled; if not, pension is limited to 12 months; pension ceases after remarriage
DE	Entitlement criteria: Survivor at least 45 years (47 years from 2029) of age or is incapable of work or is raising a child below the age of 18; spouses must also have been married for at least one year Amount: 55% of the insured person's pension (extra payments if children were raised); income tested: income above the threshold 701.18 € (Eastern Germany 616.18 €) will be tested against the pension at the rate of 40%; if conditions are not fulfilled but the deceased had been paying contributions for at least 5 years, 25% of the deceased's pension benefit is paid Duration: Without limit if entitlement criteria are fulfilled; so-called small survivors' pension of 25% is paid for two years; pension ceases after remarriage
EE	Entitlement criteria: a) a non-working survivor who is pregnant (from 12th week of pregnancy); b) a non-working survivor who cares for a child under the age of 3; c) a survivor who is of pensionable age or incapable of work and the in case that he/she was married for at least one year; d) a survivor who reached pensionable age or became incapable of work before the divorce or within 3 years after the divorce, in the case that the marriage lasted for at least 25 years Amount: 50% of the insured person's pension for a single person; 80% of the insured person's pension for two dependent family members; 100% of the insured person's pension for three of more dependent family members. Duration: as long as the person satisfies entitlement criteria (without limit). In the case of remarriage the survivors' pension is maintained for 12 months and thereafter discontinued
FI	Entitlement criteria: Surviving spouse had married the deceased before the latter reached 65 years of age and they have (or have had) a common child. Surviving spouse is entitled to survivors' pension also in the case that they had no children if the marriage took place before the survivor reached 50 years of age and the deceased person 65 years of age, the marriage lasted for at least 5 years and: a) the surviving spouse had reached 50 years of age by the time of death of the spouse or; b) the surviving spouse had received a disability pension for at least 3 years by the time of death of the spouse. Amount: Based on the amount of pension the deceased spouse had accrued by the time of death. The share of the accrued pension paid to the survivors depends on the number of simultaneously eligible dependent children: 50% in the case of no children 80% in the case of 1 child (50% is the widow/er's share, 30% child's share) 100% in the case of 2 or more children (widow/er's share of the total pension declines with the number of children) Duration: as long as the person satisfies entitlement criteria (without limit). Survivors' pension to a widow/widower is discontinued in the case that the surviving spouse remarries before reaching 50 years of age, but the beneficiary is paid a lump sum of 3 annual widows' pensions.
HU	PAYG financed obligatory social insurance Entitlement criteria: permanent if widow/er is of retirement age, is an invalid or has

	at least two minor children – these criteria should be fulfilled within 10 years after the death of the partner (temporary if widow/er does not fulfil the criteria mentioned above but cares for an orphan); if the deceased was over retirement age on the date of marriage the partner has the right to the benefit provided the partnership lasted over five years or they had a common child in case of cohabitation the partnership would have had to last at least one year if they had a common child, or at least 10 years if there were no common children; Amount: permanent: 30% of the deceased person's old-age or invalidity pension if survivor has the right to an individual (old-age, invalidity, work accident) pension and 60% if survivor has no individual pension rights temporary: 60% of the deceased person's pension Duration: permanent if certain conditions are fulfilled (see above), pension ceases in case of remarriage before reaching the retirement age; for cohabiting partners, the survivors' pension is terminated if he or she already receives work accident pension or widow/ers' pension; temporary survivors' pension is granted for 1 year up to max. 3 years Fully funded obligatory pension system accumulation phase (i.e. the phase in which pension contributions are paid, mostly working career) – the pension capital of the deceased could be paid as a lump sum to the previously appointed beneficiaries or retained as the capital endowment on the individual account of the beneficiary; a benefiting survivor or survivors have the possibility to pay in the inherited pension capital to the PAYG financed social security and obtain full survivors' security (if he or she is treated as the legal survivor in the PAYG financed social security system) or 75 %f the 'normal' survivor benefit (in other cases); retirement phase – a joint survivorship annuity, one of four types of annuities, can be offered
IE	Entitlement criteria: Deceased's entitlement to flat-rate State Pension Contributory (SPC) may be used instead of the survivor's own entitlement Amount: 93% of deceased's SPC Duration: The pension ceases in the case of remarriage or cohabitation
IT	Entitlement criteria: marriage; deceased's entitlement to a pension (for a proper survivors' pension), or 15 years of contributions of the deceased, or five years of which three during the last five years are credited for the surviving spouse (for a so-called 'indirect' pension); means tested, on basis of household income Amount: 60% of the deceased partner's pension (reduced by 25%, 40%, or 50%, according to own income) Duration: life-long; pension ceases on remarriage
LT	Entitlement criteria: surviving partner is assessed as disabled at time of death of the partner or within the next 5 years, or is in pensionable age; additionally marriage must have lasted at least 5 years or there must be a common child; survivors' pension might be received in addition to individual pension; cohabiting partners are not eligible Amount: flat-rate at about 20 € (2007) Duration: pension ceases in the case of remarriage
MT	Entitlement criteria: 3 years insurance of the deceased, an average of between 20 and 50 weekly contributions per year paid by the deceased, survivor does not earn more than national minimum wage or is over 60 and has a child under 16 . Amount: 5/6 (83%) of the deceased spouse's pension (two-third pension or invalidity pension), minimum pension 77 € / maximum pension 100 €. Duration: Pension ceases after remarriage (the survivor receives a lump sum of five years' pension payment of the deceased)
PL	PAYG financed obligatory pension system Entitlement criteria: One of the following three criteria must be met: survivor is at least 50 years old or is disabled; or the survivor is caring for a child under the age of 16 (18 if the child is studying); or the survivor is caring for a disabled child entitled to a survivors' pension. The requirements should be fulfilled within five years after the death of the spouse. In the case of no eligibility to survivors'

	pension and no other resources, a temporary survivors' pension is granted Amount: between 85 and 95% of old-age/invalidity pension depending on the number of dependents (both for permanent and temporary pensions); survivor must choose between their own pension and the survivors' pension Duration: permanent pension does not cease after remarriage; temporary pension is granted for max. 2 years Fully funded obligatory pension system: accumulation phase (i.e. the phase in which pension contributions are paid, mostly working carrier) – survivor inherits 50% of accumulated capital (on condition that the pension capital constituted common property of the spouses). The remaining 50% of the capital is paid out to the appointed beneficiaries; this can be the spouse once again or e.g. cohabiter retirement phase – no survivors' benefit *Planned changes: a possibility of inheriting the pension capital if the spouse dies within the first three years after retirement*
PT	Entitlement criteria: 3 years insurance of the deceased, married at least for one year, at least 35 years old (otherwise five years limited payment), or dependent children or incapacity to work Amount: 60% of old-age/invalidity pension, lower if there is an additional former spouse Duration: Pension ceases after remarriage
RO	Entitlement criteria: The survivors must have been married to the deceased for at least ten years and have reached the retirement age, or a survivor pension is granted for low-income survivors taking care of a child under the age of seven Amount: survivor receives 50% of the old-age pension of the deceased Duration: unlimited, pension ceases after remarriage
SE	Only transitional rules for widow pension. Adjustment pension in the case of 3 years residence plus 3 years with pensionable income, survivor is below 65 and must have lived for at least five years with deceased spouse Adjustment pension replacing 55% of the earned income pension so far (not lower than the guarantee pension) for 12 months (or with dependent child until the child is 12 years old with possible further extension) Pension ceases in the case of remarriage
UK	a) survivors' pension Entitlement criteria: State pension age of the survivor Amount: The deceased's entitlement to BSP may be used instead of the survivor's. In State Earnings Related Pension Scheme (SERPS)/S2P a survivor can receive both their own and 70% of the deceased's entitlement, reducing to 50% by 2010 b) Widowed parents allowance Entitlement criteria: having a child up to the age of 16, the deceased has paid NI contributions Amount: £ 91/week (2008) and 70%/50% SERPS/S2P based on the deceased's contribution payments (see above). This pension ceases in the case of remarriage or cohabitation c) widow's pension Entitlement criteria: 45 years or older for those who are childless or widowed parent allowance ceases at age 55 or older Amount: Full amount of £ 91/week from 55 onwards, between 45 and 55 reduced amount. Pension ceases on remarriage or cohabitation

Source: country profiles

The amount of the survivors' pension is usually calculated as a percentage of the deceased's pension, in some cases with a ceiling. Only in Lithuania is a flat-rate pension granted. Percentages vary among countries and within a single country to the order of between 50 and 100% of the deceased's pension depending on the number of dependants, own income and other entitlement criteria. In addition, survivors' pensions are income tested in many countries.

The eligibility conditions of survivors' pension schemes refer to a number of qualifying conditions: a number of contributory years of the deceased, age of the surviving partner, length of marriage, children, disability benefits and the claimant's own (pension) income.

In most countries (apart from Poland) the eligibility for a survivors' pension ceases after remarriage, either immediately or after a certain transition period. In some countries the right to a survivors' pension is also lost after cohabitation with a new partner (Ireland, the United Kingdom).

In many countries the surviving partner has to be of a certain age (35 in Austria and Portugal, 45 in Belgium and Germany) to be eligible, otherwise she/he will only receive a limited survivors' pension of one or two years, often paid as a lump sum. However, this is not the case when the surviving partner takes care of children under a certain age. In these circumstances, the pension is paid at a higher rate until the child is no longer dependent and/or reaches a specific age.[81]

Over the last decade there has been a trend to link survivors' benefits more closely to the above-mentioned eligibility criteria of age and the survivor's own income. Survivors' benefit schemes have mainly been designed for women in the past. However, with the growing individual pension rights of women the need for redistributive survivors' pensions decreases, unless they protect those who are not able to build up individual pension rights. Even if the changes have been introduced with long transitional phases and survivors' pensions today play an important role in the protection of elderly women's income, their importance will decrease in the future. Indeed, the Swedish system illustrates that survivors' pensions might even cease completely: it no longer provides for regular survivors' benefits but only provides transitional benefits for 12 months (longer if survivor has a dependent child under the age of 12) and only if the survivor is below 65 years of age.

The tendency to reduce survivors' pensions could be seen as a positive trend with regard to strengthening the independent pension rights of women. On the other hand, cutting survivors' pensions also bears the risk of reducing pension income for women in old age, especially if this is done without transitional arrangements allowing for the change of working patterns.

Regulations Regarding Spousal Benefits

Spousal benefits only exist in a few countries. They refer to pension benefits that are received solely because a person is married to and living together with another person.

In Belgium a married partner with a dependant spouse is entitled to a spousal pension at the rate of 75% of former earnings (instead of the rate of 60% of former earnings for an individual pension). This regulation is to the advantage of married couples if one of the spouses has no or very low own pension entitlements.

In Ireland a married or cohabitating pensioner who is entitled to a public pension may claim a so-called Qualified Adult Allowance for a dependent spouse or partner aged at least 66 and having no social welfare payment in his/her own right. The benefit reaches a maximum of some 200 € per week (2008); a reduced amount is paid if the dependent has between 100 €

[81] I.e. in Belgium, Germany, Finland, Hungary, Malta, Poland, Portugal, Romania, Sweden and the United Kingdom.

and 250 € of their own income per week. Since 2007 it has been paid directly to the dependent.

In the United Kingdom a pensioner with a spouse over state pension age may receive a pension supplement of 60% instead of the individual entitlements of the spouse. If the spouse is below state pension age an Adult Dependency Increase is paid in the case that the wife has little or no earnings; the latter option will cease in 2010.

Spousal regulations stem from a period when women often had no pension entitlements of their own. While they are positive to the extent that the income of a couple is increased, they also bear some negative effects, as the dependent partner is most likely to be a woman, which contributes to the continued economic dependence of women of pensionable age. Spousal pensions might also reduce the incentive for women to build up their own pension claims.

Regulation Related to Cohabitation and Divorce

Changing family structures are reflected in pension systems, although regulations are often lagging behind societal developments. This is the case for both cohabitation and divorce. These regulations are specifically important for women in the case that they have taken over care responsibilities but will not be able to rely on the economic support of the former partner in old age.

Regulation pertaining to cohabitation can be found in a limited number of countries analyzed in this study, including Germany, Finland, Hungary, Portugal, Sweden and the United Kingdom. In most of these countries, cohabitating partners are eligible for survivors' benefits. Partners have either to be living together for a certain time (Portugal), or have a child (Sweden) and/or a registration of partnership (Germany, Finland, Hungary, the United Kingdom).

Regulations on divorce are more diverse. Mostly, they are related to the entitlement of the divorced partners to survivors' benefits. As a general rule it can be stated that such an entitlement exists if the divorced spouse is not remarried and/or was in receipt of maintenance.

The following table gives an overview on the pension regulations in the case of divorce.

Table 11: Regulations regarding divorce, 2008

Country	**Regulations in case of divorce**
AT	No splitting of pension entitlements; In case of death of one divorced partner the other divorced partner is entitled to survivors' benefit if deceased partner was paying income maintenance (which depends on who is found "guilty" during the divorce proceedings)
BE	Partner with lower income and contribution benefits from the former partner: 62.5% of the income of the former partner (during the marriage) minus survivor's own income (during the marriage) is acknowledged for the pension
DE	Pension entitlements are split for years of marriage: Pension entitlement of former partners are added and split equally between them for all statutory pension systems
EE	A divorced partner is entitled to a survivors' pension if the person reached pensionable age or became incapable to work before the divorce or within three years from divorce, in the case that the marriage lasted for at least 25 years

FI	In case of death of one divorced partner the other divorced partner is entitled to a survivors' pension if the deceased person was under legal obligation to pay her/him alimony at the time of death
HU	Divorced partner is entitled to temporary survivors' benefits if he/she was entitled to alimony and if he/she did not remarry
IE	Divorced spouse is entitled to survivors' benefit (Widow(er)'s Contributory Pension) if divorce took place before 1997 and if survivor does not remarry or cohabit
IT	No splitting of pension entitlements; In case of death of one divorced partner the other divorced partner is entitled to a survivors' pension provided that he or she were entitled to alimony at the moment of the former partner's death, and that he or she does not marry again
PL	PAYG financed pension system – divorce does not influence individual pension capital (no equalization of pension entitlements); divorced partners are not entitled to a survivors' pension unless they fulfilled the requirements for widow/widower and were entitled to alimony from the husband/wife, awarded through the courts; Fully funded pension system – pension capital is divided equally on condition that the pension capital constituted common property of the spouses
UK	Divorced individuals may use their ex-spouse's National Insurance (NI) record for the period of the marriage to top up their own entitlement to the Basic State Pension (BSP). This also applies to same-sex civil partners whose relationship has ended. The right is lost on remarriage. Since 2000, those petitioning for divorce have been able to claim a share of their spouse's pension accumulated during the marriage

Source: country profiles

In a few countries divorced spouses are entitled to a balance of pension claims, i.e. an adjustment of pension entitlements gained by both partners individually by transferring pension entitlements from the partner with the higher pension entitlement to the one with the lower one. The logic behind this is that the entitlements acquired during the marriage are joint assets. This is the case in Belgium, Germany and to some extent in the UK. In Belgium, claims can be made to receive part of the pension benefit if the income was lower than 62.5% of the divorced spouse's income. In Germany a pension rights adjustment (*Versorgungsausgleich)* has existed since 1977, balancing pension rights of the partners acquired during the time of marriage or cohabitation. In the United Kingdom balancing of pension entitlement is possible but must be claimed in court and the gained benefits are lost in the case of remarriage.

In Poland, the pension capital accumulated in the mandatory funded pillar is divided for the period of the marriage.

In summary, regulations regarding divorce are still limited in many countries. However, as mentioned in chapter two of the study, divorced women represent a particularly vulnerable group in old age as they often experience a higher risk of poverty. Therefore, more attention should be given to providing adequate protection for divorced women. A splitting of pension rights to offset gender inequalities in old age, in particular in those cases where family obligations have caused temporary employment interruption or been the reason for working part time, seems to be an effective instrument to balance the differences in pension entitlements.

3.3. Privately Managed Pension Provisions and their Impact on Women

Private pensions are of growing importance throughout the EU.[82] Given the rising relevance of private pensions and their contribution towards ensuring adequate retirement incomes, the analysis of measures to offset gender inequalities in such schemes is particularly important. Three main types of privately managed pensions could be distinguished:

- funded tiers[83] of mandatory, statutory pension schemes
- occupational schemes often provided collectively
- pensions that are provided individually (private life insurance, pension funds or other forms of savings).[84]

Privately Managed Funded Tiers in Statutory Schemes

In a number of countries (Estonia, Hungary, Lithuania, Poland, Romania and Sweden) funded tiers in the mandatory, statutory pensions systems have been introduced. They differ in size, but are supposed to replace future reduced benefits provided by the pay-as-you-go financed tier. As these tiers are mandatory, it is expected that their coverage – the number of participants - will be broader in the future.[85]

Privately managed mandatory funded tiers are usually defined-contribution, i.e. they translate income difference and resulting differences in contribution payments into pensions. A crucial issue linked to the introduction of privately managed schemes is to what extent unisex-tariffs or sex-segregated tariffs will be applied. Although EC Directive 2004/113 calls for equal treatment between men and women in the access to and supply of goods and services, Member States are allowed to use sex-segregated actuarial factors resulting in different monthly pension payments for a woman and a man who have paid in the same amount of contributions as it is assumed that the women will live longer and receive more monthly payments than the man.[86] While Hungary, Poland, Estonia and Sweden have also introduced unisex tariffs for their privately managed, mandatory funded pension schemes, the new complementary (voluntary) scheme in Lithuania is based on sex-segregated tariffs which might result in approximately 20% lower pensions for women.[87]

A further important aspect is to what extent employment interruptions due to caring responsibilities are protected in the funded tiers of public schemes and how they interact with child care credits in earnings-related schemes.

No contributions payments for interruptions due to caring responsibilities are made into the funded tier in Lithuania and Romania.

[82] See European Commission (2006b), European Commission (2008b:62)
[83] In „funded" tiers financial resources are accumulated to meet pension liabilities – in contrast to pay-as-you-go financed pensions, where pensions are financed by current contribution payments.
[84] See European Commission (2008c:5)
[85] Currently, coverage of these schemes is between 50% and 70%, because they have only been introduced recently and not all employees, in particular elderly ones, are mandatory insured. Once the system mature, full coverage is expected, see European Commission (2008c:10).
[86] EC Directive 2004/113/EC according to Article 5 para. 2 allows for differences in individuals' premiums and benefits.
[87] See Lazutka (2007).

In Estonia, the state makes contributions to the funded DC scheme during the period of payment of parental benefit. The state contribution is 1% of the parental benefit, 100% of previous earnings paid for 14 months. As the regular contribution to the funded tier is 6% of the gross wage, the contributions paid by the state to the funded DC scheme correspond to 1/6 of the regular contributions of employed persons. In other words, in terms of pension entitlements, caring for a child corresponds to earning 17% of the former wage.

In Poland, Hungary and in Sweden the contribution base for interruptions due to caring responsibilities is the same in the funded tier as the one for the unfunded part of the system.

Occupational Schemes

Occupational schemes are by definition linked to employment. They are in the majority of cases[88] funded and characterized by a stronger contribution-benefit link, often defined-contribution and thus by nature less redistributive than public pensions. There is only limited information available regarding the gender-specific coverage of occupational schemes, i.e. the number of women participating in occupational schemes and the level of their occupational pensions as compared to men. It would be worthwhile to focus on this aspect from a comparative point of view taking into account the varying importance of occupational pension schemes in EU countries. In some countries, important gender differences can be observed, which might be explained however by the unequal distribution of occupational pension schemes, which are more widely used in areas of industry that are typically male-dominated, whereas such schemes exist less frequently in other fields and smaller companies where women tend to be over-represented. Thus it might be more difficult for women to access occupational schemes.[89]

Little is known on how employment interruptions are treated in occupational schemes, as this is governed on a company/industry level.

Individual Pensions

In nearly all EU Member States, people are encouraged to save voluntarily into individual private schemes. In most cases the schemes are based on sex-segregated tariffs. A notable exception is the German *Riester-Rente,* which operates with unisex tariffs; however, other tax-subsidized forms of supplementary insurance are based on sex-segregated tariffs.

In Germany, a child allowance is paid by the state for the *Riester-Rente* and tops up individual savings and the general subsidy.[90] This shows that compensation mechanisms only partially exist and are less developed than in mandatory schemes.

Finally, early enrolment in supplementary schemes is becoming increasingly important in order to accumulate sufficient income in old age. Member States have introduced various measures to boost voluntary participation in private schemes. In most of the countries, increased participation is encouraged by tax incentives. However, tax incentives are often

[88] Some occupational pensions are book reserve schemes, i.e. schemes in which assets are not set aside separately but internal reserves are built up by the employer to cover future liabilities and benefits payment will be made directly by the employer.
[89] See European Commission (2008c:16)
[90] The contributions to the supplementary scheme are especially subsidised for mothers (fathers only if the mother does not have a supplementary scheme or waives her entitlement to child allowance). Since 2008 the child allowance amounts to 300 € per year.

more beneficial for higher income earners. Depending on the national tax system a progressive tax system will promote participation of higher income groups, not necessarily women. Thus, direct subsidies as an incentive to participate in voluntary schemes such as a state contribution provided by the German *Riester-Rente* will be a more effective instrument to target both women and men. A further instrument which could contribute to higher participation rates is "automatic enrolment", which is applied for example in Italy. Individuals are automatically insured in a collective fund with a certain percentage of their income unless they formally declare that they not wish to participate. Last but not least, financial literacy programmes targeted at women will increase the awareness of the need to plan and care for retirement income.

In summary, the issues for mandatory funded, occupational and individual private pensions are very different. In mandatory schemes coverage will probably be not a problem in the future, but a lower number of contributory years of women and lower contributions due to lower wages might result in lower pensions for women. In occupational pension schemes low coverage of women who more often work part time and have temporary contracts might result in lower occupational pensions for women as compared to men.

An issue which is of growing importance for all types of schemes is financial literacy. It might be assumed that women and men might need different information and means of information, that the level of information is different and that information will cause different strategies which might also depend on gender biased risk awareness and the estimation of future needs. There is however little knowledge on gender aspects of financial literacy in European countries.[91]

Knowledge about participation of women in individual private pension savings is very limited, but a major incentive to participate in such schemes is via tax incentives. Such incentives are usually regressive and encourage the participation of high-income earners. Therefore, due to their lower wages, women might not benefit in the same way as men.

3.4 Summary

The comparative review of measures to offset gender inequalities in 15 EU countries has revealed that there is a broad spectrum of measures in pension schemes that impact on the old-age income of women. These measures include the general characteristics of a pension scheme, which might be to the advantage or disadvantage of women, and measures that specifically aim at reducing the pension gap between women and men.

Minimum income guarantees in pension schemes that provide an adequate level of benefits are an effective instrument to prevent women from being exposed to the risk of poverty. However, in order to reduce the gender pension gap, measures linked to earnings-related pensions are of particular importance.

The link between contributions and benefits in earnings-related pension schemes has been tightened in many countries. This represents a disadvantage for those with lower incomes, among them many women. Even if access to earnings-related pensions has become easier

[91] More research has already been carried out in the United States (see section 2.2). It might be worthwhile to further analyze this topic which has also been touched in one of the latest peer reviews: Public information on pension systems and pension system changes, see http://www.peer-review-social-inclusion.eu/peer-reviews/2008/public-information-on-pension-systems-and-pension-system-changes.

in many cases through lower minimum contributory periods, on balance the less redistributive character that has been introduced in a number of countries might affect women negatively. Thus supplementary corrective solidarity measures are of growing importance.

Credits for non-contributory periods are an important measure to offset gender inequalities in old age. Child care credits have been introduced or extended in most countries, which in effect makes it easier for women to qualify for a (higher) pension. Level and duration of such credits however vary considerably. Only in very few cases do they actually fully replace contributions based on employment. If such credits are to close employment gaps in insurance based systems, they would need to be raised substantially in many countries. Given the often rather low base on which credits are granted, it seems important that women are put in a position to gain additional pension rights from (possibly part-time) employment and that care credits are granted in parallel to entitlements gained from employment. Furthermore, only a few countries consider other caring periods in the pension scheme, and even if they do so the level is mostly lower than for periods of child care. Regulations are often very complicated and might only partially meet the needs of women; parallel employment is often not encouraged or even ruled out.

Regulations concerning the marital status are important as well, in particular for those women who are on or close to retirement today. Survivors' benefits differ in level, qualifying conditions and duration of payments. Due to the increasing employment participation of women and the accumulation of individual pension claims there is a general trend towards tightening eligibility criteria and survivors' benefits are more frequently means tested. Survivors' pensions were – and still are – an important measure to prevent widows from poverty and to maintain their living standard. In recent times regulations relating to cohabitating partners and divorce have been introduced in order to cope with changing life patterns. This shift is, however, gradual and is taking place only in a few countries.

In private pension schemes unisex tariffs could be an efficient measure to decrease income inequalities between women and men in old age. They are particularly relevant in those countries in which an NDC system or a privately managed mandatory funded scheme has been introduced. Furthermore, covering employment gaps, also in complementary schemes, is a very important measure to secure adequate pensions. This has been introduced, though very rarely and the level of contribution payments is rather low.

When analyzing the impact of different measures to offset gender inequalities in the countries under analysis, the interaction between individual measures with a specific pension system and employment patterns of women in a certain country is very important. Measures to offset gender inequalities might on the one hand benefit women, but might on the other hand represent a disincentive to build up their own pension rights based on employment. Care credits that are provided for a longer period of time but only when a person is not employed will, due to the lower contribution base, lead to lower pension entitlements for that person in comparison to an employed person, and at the same time will make future adequate employment for that person more difficult due to a long absences from the labour market. Similarly, survivors' pensions improve the situation of many women in old age but at the same time pensions that rely on derived rights enhance existing gender inequalities.

The level of pension benefits is mainly determined by individual employment and measures to offset gender inequalities will only contribute to a limited extent to additional pension rights. Thus a sound balance between such measures and the related work incentives has to be assessed in each specific country context.

A further conclusion is related to the interaction between the modernization of societies and how this is reflected in the pension scheme. Many of the measures described above have been introduced very recently and will be granted only to younger generations. A large proportion of elderly women will not benefit from these measures, as the regulations are not applied retrospectively. While these reforms have been mainly caused by fiscal considerations, from a distributive point of view elderly women in particular would need additional compensation. Hence, the following fourth chapter of the study will examine the interaction between pension regulations and changing labour market patterns of women in more detail and, based on model scenarios, analyze the current and future retirement income of women with different employment patterns.

4. Pension outcomes for women with different employment histories

The indicators developed within the framework of the Open Method of Coordination (OMC) mainly reflect current outcomes of pension systems for "average" cases. They do not reflect the impact of legislative and societal changes or altering work patterns and the real dispersion of pension outcomes. As European countries are faced with increasingly flexible labour markets and employment patterns become more and more diverse, it would be important that the assessment criteria respond accordingly. This chapter is an attempt to exemplify and illustrate pension outcomes for women with different employment histories.

The countries covered in this chapter are Germany, Estonia, Italy, Poland and the United Kingdom. The country studies examine pension outcomes for women retiring in 2008 and the impact of emerging biographic and employment patterns of women on their future pension rights. Since these patterns develop under a broad variety of societal, economic, institutional and legal conditions, the particular influences upon them are difficult to discern and identify. The country studies document the variety of surrounding frameworks and provide quite a broad selection of approaches to describe these patterns and, most importantly, to measure their impact on retirement income.

The country studies are based on basically three employment scenarios of women: A scenario of a hypothetical life course with no employment; an "interrupted" scenario which reflects a female work history interrupted due to care responsibilities; and a full-time employment scenario which illustrates the pension outcomes for women with a continuous work history without any interruptions. Country-specific "interrupted" employment scenarios were chosen because women's participation in the labour market in fact differs substantially across EU Member States.[92] Due to the country-specific nature of the assumptions as regards the selected biographies and the methods of calculation it is not possible to compare results across countries.

Pension outcomes have been estimated for these various scenarios both for women retiring in 2008 and for women retiring in 2050. The objective of this two-generation analysis was twofold, to get a more in-depth understanding of the present relation between employment histories of women and their pension outcomes on the one hand, and also to analyze the impact of changing employment patterns and their interaction with pension reforms in the future on the other hand. This is of particular importance as typical employment patterns differ quite substantially in some countries for older and younger cohorts, as for example in Germany, Italy or the UK. In contrast, the work histories of elderly women in Poland and Estonia are characterized by close to continuous (full-time) employment.

In order to assess the estimations of pension outcome for the various countries in the light of OMC objectives, they have been analyzed with regard to their relation to poverty lines and to the average pension of a woman or man with a full employment history. Each country study discusses the impact of further aspects which might influence the pension outcome: raising children or other care responsibilities, divorce or widowhood. The different scenarios provide a comprehensive picture of how changing life courses and reformed pension systems will impact on women.

[92] Details on the country specific assumptions and the relevant statistical foundations can be found in the individual country studies.

Chapter 4 of the study is structured into five sections. Section 1 gives an overview of trend developments in the pension systems in the five countries. Section 2 specifically addresses those existing and future measures which are expected to change the pension rights of women as compared to men. Section 3 discusses the expected developments and impact of employment biographies and pension reforms on the future pension income of women in old age in the five countries. Section 4 gives an overview of the simulation results for the individual countries. Finally, section 5 draws some general conclusions on the interaction between pension system reform and changing employment biographies of women and the impact on pension outcomes.

4.1. Trend Developments in the Pension Systems

The way in which pension systems are likely to develop will be a major influence on women's future pension outcomes. Recent pension reforms in Europe, including the shift to more diversified pension schemes, are expected to increase the gender pension gap.[93] This section will provide a more detailed analysis of the interaction between pension system reforms and changing employment patterns of women by assessing the projected trend developments in the pension systems as they have been assumed in the five country studies. In most of the countries the assumption is that statutory schemes will provide declining replacement rates at a fixed retirement age. Furthermore, the expected future role of occupational and voluntary private schemes differs across the assumptions. The following table gives an overview of the expected trend developments in the pension schemes:

Table 12: Trend developments in the pension systems

Country	Trend development
Estonia	The basic amount in the state pension system will persist. The link between contributions and benefits will be strengthened a) in the pay-as-you-go state pension scheme and b) in the compulsory fully funded second tier of the public scheme.
Germany	The overall replacement rate of the pension scheme will decrease. This will be ensured via an indexation formula for pensions which takes account of changes in the number of insured persons compared to pensioners. The gradual phasing in of new tax laws will result in higher taxes on pensions and would decrease net pension income. A growing importance of occupational and private pensions can be expected due to subsidies for voluntary enrolment.
Italy	The public pension scheme is expected to provide a declining replacement rate at a fixed retirement age by the introduction of a notional defined contribution system. The minimum pension will be phased out. It is assumed that occupational and voluntary private pensions will not play a substantial role in the future.
Poland	The public pension scheme is expected to provide a declining replacement rate at a fixed retirement age by the introduction of a notional defined contribution system. Compulsory fully-funded private pensions will further increase income inequalities in old age. The minimum pension will remain. In the calculations, it is assumed that occupational and private voluntary schemes will not play an important role in the future.
United Kingdom	Private pensions are expected to play a more important role in the future, but state pensions will remain at a low level and will become less earnings-related.

93 See chapter 2, section 2.

An overall assessment of the development of pension systems in the future reveals that redistributive public pension systems will provide lower replacement rates and that private and fully-funded old-age pensions will gain in importance, either as compulsory elements in the public scheme (Estonia and Poland), on a quasi-compulsory basis (United Kingdom), or on a voluntary basis (Germany, Italy). While the minimum pension (Poland) or a strongly redistributive base amount (Estonia, United Kingdom) will persist in three countries, no minimum pension payments exist in Germany and it is planned that minimum pensions will be phased out in Italy. Thus, the general trend is towards a declining replacement rate and less redistributive elements in the pension formula.

4.2. Changes in the Pension Rights of Women Relative to Those of Men: Ongoing and Future Trends

Chapter 3 of the study took stock of measures which directly or indirectly impact on gender inequalities in old age. It has already been noted that a number of measures designed to offset gender inequalities have been introduced quite recently and will only come into full effect in the future. Thus, the development and changes that occur in this area will be important in determining the future pension rights of women. The following table summarizes important developments which will impact on the pension rights of women relative to those of men.

Table 13: Changes in the pension rights of women

Country	Changes in pension rights of women
Estonia	The retirement age for women will be increased to 63 by 2016.
Germany	Care credits for children have been extended for births from 1992 onwards and care credits for care of the elderly have been introduced in 1995. The retirement age for women will be increased to 67 (for both women and men) between 2012 and 2029. There have been changes in survivors' pension regulations.
Italy	The retirement age of women will be made flexible.
Poland	Care credits have been extended in their duration, reduced substantially in their amount from 1999 onwards but have been recently increased again (as of 1 January 2009).
United Kingdom	Care credits will make a greater contribution to the qualifying period for the Basic State Pension and to the State Second Pension. The retirement age of women will be increased to 68 by 2046.

Basically there are three important aspects which will cause changes in the pension rights of women relative to those of men. The first is the increase in retirement age that is legislated in four of the five countries. Only in Poland is a lower retirement age for women (at the age of 60) compared to that of men (at the age of 65) still in force. The second set of measures that will presumably impact on the pension rights of women compared to those of men comprises care credits. Finally, the third aspect which needs to be considered are the envisaged changes in the area of survivors' pensions.

With regard to retirement age it should be noted that in Germany the retirement age is already equalized between men and women at the age of 65 and will be further increased by two years to 67 for both sexes in the period 2012 to 2029. In the other countries, Estonia, Italy and the United Kingdom, retirement age for women is still lower and will be increased to the level of men.[94] Nevertheless, there will be wide differences in the legal retirement ages for women in the future, with 60 years in Poland, 63 years in Estonia, a flexible retirement age where the woman can choose her age of retirement within a given corridor of 57-65 years in Italy, 67 years in Germany (by 2029) and 68 years in the United Kingdom (by 2046).

A crucial determining factor as to whether an increased retirement age will result in higher accumulated pension rights for women is their opportunity to participate in the labour market. If women are able to extend their working careers in later life, an increased retirement age will considerably increase their pension levels. This is particularly relevant against the background of stronger links between contributions and benefits in the pension scheme, as described above.

The second set of measures, child care credits, exist in all countries. They were introduced quite recently and differ considerably in terms of both qualifying conditions and level.[95] Care credits have been particularly extended in the UK and in Germany. In the UK, care credits are mainly directed at ensuring access to the flat-rate Basic State Pension and the State Second Pension. In Germany, three years of care credits are granted for women who gave birth to children after 1992 and pension rights are credited as if the individual were insured on the basis of average earnings. In addition, a lower amount of care credits is granted between the fourth and tenth birthday of the child under special conditions. In Poland, too, care credits were increased quite recently and will be provided at the level of 60% of the average salary from 2012 onwards. In Estonia, the level of care credits is rather low, based on 20% of the average wage in Estonia. In Italy, the credit provided is based on the individual's previous earnings but provided only for a short 6-month period. Again, the impact on these measures in most of the countries in question depends very much on the actual labour market participation. If employment breaks are short, a credit such as provided in Italy will be sufficient to compensate for the interruption. If, however, women interrupt their employment for a longer period, only in the case of Germany or Poland will the credit ensure that the gap in pension contributions is compensated for at an adequate level. In the other countries, credits will only ensure access to basic entitlements (UK) or result in low pension credits for these periods (Estonia).

Finally, changes in the survivors' pension regulations need to be considered for future changes in the pension rights of women. The level and eligibility criteria relating to a survivors' pension that provides the income of women in old age varies widely across the five countries.[96] Changes for younger generations have been introduced in Germany and in the UK. In Germany, the general survivors' pension benefit has been reduced and will be topped up only in the case that children have been raised. Survivors' pensions are income tested and the age requirement for a survivors' pension will be raised by 2 years. In the UK, the survivors' pension benefit level in SERPS/State Second Pension will be reduced by 20 percentage points from 70% to 50% of the deceased husband's benefit for women widowed after 2010. In Poland, the survivors' pension regulations have remained the same in the new reformed pension scheme. The role and importance of survivor pensions will be different in the five countries. While they will be an important income source for all widowed women in Poland and for widowed women with children and low individual pension entitlements in Germany, they will be less important in the other countries.

[94] For more details on retirement ages, see chapter 3 of the study, section 3.2.1.
[95] For more details on care credits in the different countries, see chapter 3 of the study, section 3.2.2.
[96] For more details on survivors' pensions in the different countries, see chapter 3 of the study, section 3.2.3.

4.3. The Impact of Participation in the Labour Market and Work Careers

The results of the calculations relating to retirement income of women are largely determined by the country specific assumptions made about women's future working biographies and labour market participation. The following table summarizes the main current labour market participation patterns and expected future trends.

Table 14: Labour market participation trends

Country	Labour market participation trends
Estonia	Older generation: high labour market participation of women, early entry to labour market, short employment interruptions Younger generation: still high labour market participation of women, but longer period of education and longer interruptions due to child care and unemployment
Germany	Older generation: low labour market participation, long interruptions due to child care and family reasons, substantial share of part-time workers Younger generations: higher labour market participation, shorter interruptions due to child care, part-time work remains important
Italy	Older generation: low labour market participation of elderly women, practically no part-time employment Younger generation: high labour market participation rate of younger generations, large share of atypical work contracts
Poland	Older generation: late entry into the labour market and early exit from it Younger Generation: shorter interruptions due to child care Practically no part-time employment
United Kingdom	Older generation: lower labour market participation, substantial share of part-time workers Younger generation: shorter employment interruptions due to child care, higher labour market participation rates

Overall, it is assumed that labour market participation will increase for the younger generations and employment interruptions due to child care will become shorter.[97] It is also assumed that women will extend their working lives (partly due to an increased retirement age).

At present the labour force participation of women between 15 and 64 years is, according to Eurostat statistics, lowest in Italy, followed by Poland, Germany, the UK and Estonia.

Table 15: Labour force participation 2007

Country	Female employment rate 2007 (% population aged 15-64)[1]	Female employment rate 2007 (% of population aged 24-54)[2]
Estonia	65.9	80.1
Germany	64.0	75.2
Italy	46.6	59.6
Poland	50.6	68.8
UK	65.5	74.6
EU 27	58.3	71.5

Source: Eurostat, Labour Force Statistics, extraction date 7 January 2009

[97] It is only in Estonia that it is assumed that employment interruptions will increase slightly; however, this effect is counterbalanced by the assumption of longer life-time labour market participation due to an increased retirement age in the future.

Part-time employment plays a relevant role only in Germany and the United Kingdom and to a lesser extent in Italy. According to Eurostat statistics, the share of part-time employment in relation to total employment of women amounts to 45.8% in Germany and 42.2% in the United Kingdom. Part-time employment is less important for women in Italy (26%), Poland (12.5%) and Estonia (12.1%).[98]

In conclusion, the labour market participation trends assumed in the country studies reveal that the labour market situation is very different in the five countries, but some trends of convergence could be observed among younger women, namely an increased participation rate and shorter employment interruptions. In all five countries under study it is assumed that younger cohorts will accumulate longer contributory periods based on employment.

4.4. Synopsis of Simulation Results

4.4.1. Estimates for Pension Income in 2008 and 2050

This section gives an overview of the main results of the pension income estimates for women in the five different countries. It should be noted that such projections of pension income for 2050 are highly theoretical and results are to a large extend determined by the assumptions, in particular assumptions made on inflation and wage growth, the development of the gender pay gap and the wage profile as well as assumptions made on the future role of occupational and voluntary private pensions.[99] Furthermore, it is very difficult to project a poverty threshold in 2050 and the methods of projection of the threshold vary across countries. Therefore, the individual results for the countries cannot be compared across countries.

Estonia

In the Estonian state pension system, the gender differences as regards average pensions for men and women today are below 5%. This is due to the high employment rates of women during the Soviet period, while employment interruptions to raise children have been effectively offset by 2 years' child care credits. Furthermore, the pension formula applicable to currently retiring cohorts is highly redistributive, and pension rights for periods up to 1999 are counted only on the basis of the years of service, with no reference to the former wage.

The pension reform implemented in 2000-2002 has strengthened the link between contributions and benefits. At the same time, the periods spent raising children are relatively modestly weighted in the pension system. As a result, unless the wage gap decreases, gender differences in pensions are expected to increase.

In the state pension system, the flat-rate base amount will continue to play a redistributive role. Nonetheless, the gender gap in the average pension is projected to increase to about

[98] Data for 2007, Eurostat Labour Force Survey, extraction date 7th January 2009

[99] More background information, in particular with regard to the underlying assumptions and calculation methods, can be found in the respective country studies.

15%. In the funded scheme, the current gender pay gap of 25% will transform into a similar gender pension gap.

Table 16: Estonian simulation results

Biography	Pension granted	Pension in % of 60% median poverty line[1)]	Pension in % to average pension
Retirement 2008			
Scenario 1 – no employment	122.26 € (1,913 EEK)	45%	44% of an average pension for a woman with full employment history
Scenario 2 – interrupted employment	274 € (4,287 EEK)	100%	100% of an average pension for a woman with full employment history
Scenario 3 - full employment	275 € (4,300 EEK9	100%	97% of an average pension **for a man** with full employment history
Retirement in 2050			
Scenario 1 – no employment	238 € (3,726 EEK)	n.a.	44% of an average pension for a woman with full employment history
Scenario 2 – interrupted employment	636 € (9,955 EEK)	n.a.	96% of an average pension for a woman with full employment history
Scenario 3 – full employment	661 € (10,350 EEK)	n.a.	86% of an average pension **for a man** with a full employment history

Source: Country study Estonia.
1) Poverty threshold for 2050 has not been estimated

The above summarized results illustrate that in Estonia, scenario 2 employment careers are characterized by rather low employment interruptions and high pension amounts. Pension amounts of women with interrupted employment biographies are close to the pension amounts estimated for women for whom scenario 3 (full-time employment) applies. At present, the pension of a woman with a full employment history is nearly at the same level as the average pension of a man with a full employment history. This however will change in the future, when the pension of a woman with a full employment history reaches only 86% of the pension of a man with a full employment history, which is mainly caused by the strengthened income-relation of the pension scheme and the (existing) wage gap between women and men. In Estonia, changes in the pension outcome for women are mainly caused by changes in the trend developments in the pension scheme, as it is assumed that labour force participation of women will remain high and that no significant changes to the measures which offset gender inequalities in old age will take effect by 2050.

Germany

In Germany, the reforms of 2001 and 2005 will impact on the income situation for women with all employment histories. Due to the general reduction of the pension benefit level in the statutory pension scheme, short working careers and periods of low earnings hold even a higher risk of old-age poverty than under the old public pension scheme. The individual pension benefit is meant to be supplemented in the future by a subsidized private pension scheme (*Riester-Rente*) but will probably only partly substitute the reductions in the public pension scheme. Moreover, the new supplementary private scheme is not obligatory and the benefits will depend on individual contribution payments and rate of returns. Thus, voluntary private pensions in Germany hold a potential for influencing the future pension income of women that cannot easily be put into concrete numbers.

Important factors which improve the income situation of women who have raised children are the child care credits provided. The recognition of child care has been improved decisively since 1992. Thus, in the future women with children will be able to increase their pension benefit by 7.8% of the average pension of a woman with a full working career for each child and periods of part-time work due to child care will also lead to an increase in pension benefits. Women with two children will therefore be enabled to make up for the general reduction in the replacement rate. Moreover, women with children receive an extra subsidy for the supplementary pension scheme which is an additional incentive to invest in private schemes. It will also be easier for women without work history to collect the minimum of five contribution years in order to be entitled to an individual pension, as a woman with two children will be credited with 6 contributory years from child care credits. The following table presents the simulations results for Germany based on the assumption that all Scenario 1 and 2 women retiring 2008 and 2050 have two children.

Table 17: German simulation results

Biography	**Pension granted**	**Pension in % of 60% median poverty line[1)]**	**Pension in % to average pension**
Retirement 2008			
Scenario 1 – no employment	No entitlement	n.a.	n.a.
Scenario 2 – interrupted employment (25 years)	451 €	58%	44 % of an average pension for a woman with full employment history
Scenario 3 – full employment	1022 €	131%	78 % of an average pension **for a man** with full employment history
Retirement in 2050			
Scenario 1 – no employment	189 €	16 %	15.5% of the average pension of a woman with fill employment history
Scenario 2 – interrupted employment (35 years)	808 €	69 %	66 % of an average pension for a woman with full employment history
Scenario 3 – full employment	1221 €	104 %	78 % of an average pension **for a man** with a full employment history

Source: Country study Germany
1) Poverty threshold for 2050 is threshold 2006 adjusted by wage growth.

In Germany, pension benefits for women with different work histories who retire in 2008 illustrate the employment-relatedness of the German public pension scheme. The longer the work history and the higher the income, the higher will be the pension benefits. No general minimum pension benefit is available; instead there is a means-tested benefit (at the level of social assistance) to which women with a partner's income above the social assistance threshold are not entitled.

In 2050 pensions for Scenario 1 and 2 will represent a higher share of the pension for a woman with a full employment history. This is caused by extended child care credits for women giving birth to children after 1992 and a longer working history assumed for Scenario 2. The relation between an average pension for a woman with a full employment history and an average pension for a man with a full employment history will remain stable at 78 % and reflects the gender pay gap. In case the Scenario 3 woman would have 2 children, the gender pension gap would decrease considerably from 82.4 % in 2008 to 91.4 % in 2050.

Italy

Potential effects of the Italian pension reform on pension income of women are presented in the table below. Overall, the strengthened link between contributions and benefits result in lower future pension payments compared to the projected poverty threshold. The gender pension gap between a woman and a man with a full employment history decreases due to the assumption of a lower gender wage gap between full time employed women and full time employed man in 2050. It is envisaged that the minimum pension will be abolished in the future, and this would further negatively affect the income situation of many female pensioners.

Table 18: Italian simulation results

Biography	**Pension granted**	**Pension in % of 60% median poverty line**[1)]	**Pension in % to average pension**
Retirement 2008			
Scenario 1 – no employment	No entitlement	n.a.	n.a.
Scenario 2 – interrupted employment (35 years part time)	532 €	91%	36 % of an average pension for a woman with full employment history
Scenario 3 – full employment	1493 €	246%	73% of an average pension **for a man** with full employment history
Retirement in 2050			
Scenario 1 – no employment	No entitlement	n.a.	n.a.
Scenario 2 – interrupted employment (40 years atypical work)	690 €	23 %	41 % of an average pension for a woman with full employment history
Scenario 3 - full employment	1689 €	57%	91 % of an average pension **for a man** with a full employment history

Source: Country study Italy.
1) Poverty threshold estimated for 2050: 60% of projected average income

Further additional calculations[100] also illustrate how a lower or an increased retirement age would impact on pension payments for women, and that the option of retiring earlier results in reductions in monthly payments close to 10% per year of anticipated retirement.

The simulations also show that having two children (if retaining the leave period of six months within the limits posed by the law) has a limited impact on the pension benefit (roughly -3%), while interrupting a career for even a single year, if it is not adequately covered by figurative contributions, would cost more than 5% of the future benefit.

Finally, a relevant measure with the aim of reducing the risk of poverty in old age is the recent increase in the contribution rate of "atypical" workers. However, the simulations show that even the new – higher – contributions will not suffice to raise the pension of atypical workers significantly above the projected poverty line. Bearing this in mind, it should be stressed that, in the absence of further increases of the contribution rate (currently considerably below the level of full-time employees), a crucial determinant of future well-being of current atypical workers can only be their possibility of as soon as possible finding a different job regulated by a "typical" contract.

Poland

The pension reform of 1999 will increase disparities between various groups of beneficiaries, especially women and men. The new pension system was designed for "pure" full-time, uninterrupted working careers as a precondition for adequate pension outcomes. There are only a few mechanisms financed by the state budget designed to offset gender inequalities within the pension system.

From that point of view, increasing the contribution base during parental leave from 2009 should be seen as a very important step forward towards improving gender pension equality. Since the pension reform of 1999, reduction of compensation mechanisms concerning caring for children has been implemented and justified by reduction of redistribution within the pension.

[100] See country study Italy.

Table 19: Polish simulation results

Biography	**Pension granted**	**Pension in % of 60% median poverty line**	**Pension in % to average pension**
Retirement 2008			
Scenario 1 – no employment	No entitlement	n.a.	n.a.
Scenario 2 – interrupted employment (two children)	404 €	169 %	96% of pension for a woman with full employment
Scenario 3 – full employment	423 €	177 %	86% of pension **for a man** with full employment history
Retirement in 2050			
Scenario 1 – no employment	No entitlement	n.a.	n.a.
Scenario 2 – interrupted employment (one child)	265 €	111 %	99% of pension for a woman with full employment history
Scenario 3 – full employment	269 €	113 %	57% of pension **for a man** with a full employment history

Source: Country study Poland
Poverty threshold for 2050 is poverty threshold 2007 adjusted by inflation.

The Polish estimates illustrate that labour market participation was and remains a precondition for acquiring pension entitlements. The length of the working career remains one of the main factors determining the pension level. Although the minimum contributory period for obtaining pension benefits has been removed in the new pension system and thus access to the scheme is easier, employment periods gain even more importance through the new pension formula. Because of the shorter working careers of women compared to men (caused among other things by lower minimum retirement age), a substantial reduction of the female pension in relation to the poverty threshold and to average pensions could be observed in the future, although the labour market trend assumes a career that is four years longer. The pension gap between a woman and a man with a full employment history will increase considerably due to the new less redistributive pension formula.

United Kingdom

Two elements of the pension reforms in United Kingdom are most important for the outcome of pension estimations for 2050. More inclusive carer protection and the redistributive State Second Pension lead to higher state pensions for workers on low or moderate earnings. Equally important is the longer employment assumed to follow from a raised state pension age. On the assumptions used here, all employed women in the younger cohort can be expected to enjoy better pensions than their counterparts in the older cohort. None is eligible for means-tested Guarantee Credit and all have a pension income above poverty level.

Table 20: United Kingdom's simulation results

Biography	Pension granted	Pension in % of 60% median poverty line	Pension in % to average pension
Retirement 2008			
Scenario 1 – no employment	596 €	76%	61% of pension for a woman with full employment history
Scenario 2 – interrupted employment (three variants)[1)]	596 € - 888 €	76 -113%	61 - 91% of a pension for a woman with full employment
Scenario 3 – full employment	980 €	125%	93% of pension **for a man** with full employment history
Retirement in 2050			
Scenario 1 – no employment	596 €	76%	61% of a pension for a woman with full employment history
Scenario 2 – interrupted employment (3 variants)[1)]	820 € - 920 €	105 -117%	77 - 86% of a pension for a woman with full employment history
Scenario 3 – full employment	1,072 €	136%	97% of a pension **for a man** with a full employment history

Source: Country study United Kingdom.
Poverty threshold estimated for 2050 is threshold 2008 adjusted by increase of national earnings.
1)Pension estimates for Scenario 2 include the employment biographies for an average woman, a low paid woman and a typical employment history of a graduate woman.

For the three women in the older cohort with the shortest employment, partial carer protection results in a pension income below the projected official poverty level. Among mothers, only the highly qualified achieve a pension income above poverty level, due to higher pay that both enhances private pension income and helps to purchase the child care that enables shorter career breaks. However an employment history of 40 years full-time employment provides an adequate pension income, well above poverty level.

For the average woman, the carer-friendly reforms (relaxed requirements for full Basic State Pension and for care credits in State Second Pension) account for over half of the increase in pension income, the remainder being due to longer employment. The majority of women in the future will gain from the carer-friendly reforms, even without longer employment. But unless their duration of employment increases substantially, as assumed in this research, their pension income could be around poverty level.

Finally, it has to be mentioned that the assumptions made here regarding private pension participation and concerning rate of return may not be realized in practice. The assumption of an overall rate of return of 7.3% may be optimistic and pensions could be some 20% lower than estimated here.

4.4.2. Discussion

This section discusses some of the results of the country studies from a cross-national perspective. In particular, the following issues are addressed:

- The link between labour market participation and pensions
- The ability of pension systems to ensure protection from poverty
- The ability of pension systems to ensure the maintenance of the standard of living
- The impact of caring responsibilities on pension claims
- The role of derived pension rights
- The relevance of supplementary pension schemes
- Transitional regulations and their impact on middle generations

What is the link between labour market participation and pensions?

In general, the country studies reveal that pension outcomes depend – and will continue to depend – considerably upon labour market participation. In some countries this link will even be strengthened. Women with long and uninterrupted work histories receive the highest pensions. It is assumed that even longer employment records among younger cohorts, as in the UK, will result in higher pensions. A very important issue in this respect is the retirement age. Raising the retirement age (as, for example, in UK) impacts on the pension income considerably under the assumption that increased retirement age results in a longer employment record. The estimates for Italy demonstrate that extending employment for only one year after the age of 60 increases the pension payment by 9.4%.

To what extent are pension systems able to ensure protection from poverty?

In scenario 1, women with no employment history do not receive any pension in Germany, Italy and Poland, would receive a pension of about 45 % of the relative poverty line in Estonia and would be eligible for the means-tested guarantee credit in the UK. In Italy, a short period of five years of voluntary minimum contributions would entitle an individual to a minimum pension. In Germany, if a woman has raised at least five children (older cohort) or two children (younger cohort) a small pension based on child care credits would be granted. Women with no employment history – both the older and younger cohort – are thus dependent on other income sources (pension income of husband, survivors' pensions). In some countries a divorced woman might also be entitled to a pension derived from her former husband's pension (splitting of pension rights).

For women with no employment history (scenario 1), income-related old-age pensions do not ensure an income based on their own claim to a pension that provides protection from the risk of poverty. Throughout the countries, recent changes in pension legislation do not substantially impact on the income situation of women with no employment history. Even if it is difficult to project poverty thresholds in the future, the country estimations illustrate that women with no employment history will not be protected against poverty in the future. In the UK, the scenario with no employment would result in no (older cohort) or low (younger cohort) pension income. In both cases, the women with no employment record would be eligible for the means-tested guarantee credit which however does not protect them from poverty (based on the relative poverty threshold of 60% of median earnings). In Estonia, a woman with no employment history would receive a national pension which can be expected to remain below the relative poverty threshold. In Poland, Germany and Italy, neither the older nor the younger cohort receives individual pensions, nor are they eligible for a minimum pension. They would be eligible for social assistance payments (Germany) or a means-tested assistance payment below the national poverty line (Italy, Poland). Protection from poverty could only be achieved in the case that they are living in a partnership/two-person household with a sufficient source of income from the partner, or if they have derived pension rights.

Women with interrupted employment histories will obtain a pension in their own right. However they are only partly protected against poverty, depending on their actual employment history. While women in the UK with an interrupted work history in the older cohort will remain below the poverty level, the younger cohort's pension income achieves a level above the poverty threshold. This is partly based on the assumption that higher retirement ages result in longer employment records and partly due to the fact that pension reforms provide for more extended credits for care responsibilities. According to the Italian estimates, a part-time/atypical female worker in Italy will receive a pension reaching 91% of the poverty threshold in the older cohort, but only 23 % of the poverty threshold for the younger cohort. In Poland, scenario 2 pensions are above the relative poverty threshold and the minimum pension level for both older and younger cohorts. However, the relative distance between poverty threshold and pension decreases for the younger cohort. In Estonia, a woman with an interrupted employment history will reach a pension amount at the level of the relative poverty threshold in the older cohort. In Germany, the relation of the pension to the poverty threshold improves for the younger cohort, and this is partly due to the assumption of a longer employment record and partly to a more generous crediting of child care periods for the younger cohort.

In scenario 3, all women in the older cohort will be eligible for a pension above the poverty level. This also the case for younger cohorts in the United Kingdom, Germany and Poland, however the relative distance between the estimated poverty threshold and the pension payment for a woman with a full employment history decreases in Germany and Poland.[101]

The ability of pension systems to ensure the maintenance of the standard of living

In all countries the pension level (in relation to minimum pension and poverty threshold) will decrease for younger cohorts if voluntary pension schemes are excluded. We can assume that this is the result of lower replacement rate of the mandatory pension schemes. Thus the adequacy of the statutory pension scheme will be challenged. Women – in the case that they are living alone – will only be able to maintain their living standard by increased participation in occupational and private schemes.

How do care credits impact on pension claims?

The impact of child care credits on women's pension income does differ widely. Across all countries in this part of the study except Germany an interruption of employment due to periods spent caring for small children has a negative impact on women's pensions. In Germany, however, child care credits are granted for three years on the basis of the average wage. Thus women earning low wages might actually benefit more from child care credits than from their own employment.

In the UK, for scenario 1 (younger cohort), pension claims based on care credits are built up even without any employment. This represents a considerable improvement for women with

[101] No poverty threshold has been estimated for 2050 in the Estonian projections.

no or shorter employment records compared to the older cohort. In the end, however, this still results in low pension claims and subsequent eligibility for the means-tested guarantee credit.

In Italy, the impact of child care credits is rather low due to the short period for which credits are granted. The option of paying further voluntary contributions during leave periods, however, has a significant impact on the future pension.

In Poland, the pension income for women with interrupted working careers due to family responsibilities has worsened since the pension reform. The impact of the length of interruption on the pension outcome is higher in the younger cohort than in the older one. However, recently introduced reforms in Poland have increased the credit level (again) and gaps in the employment record will be better protected in the future.

In Estonia, care credits are provided at a rather low level as well. However, due to the fact that women mainly work full time and have only short employment interruptions due to child care, the impact of having children on pensions is rather low and reflected in nearly similar pension amounts for women from Scenario 2 and 3.

For Germany, in the younger cohort pension entitlement for taking care of two children without any employment ensures the minimum membership criteria of 5 years and results in a pension corresponding to 6 years of employment on average earnings. In the case that employment is not interrupted – or interrupted only for a short period – on the occasion of child birth, care credits are granted on top of the pension rights earned from employment. Thus, the gender pension gap will decrease for the younger cohort in case the woman has brought up children.

What is the role of derived pension rights?

As illustrated in the country studies, the pensions granted to many women in scenarios 1 and 2 will remain low and might even provide declining replacement rates in the future. Additional pension income based on derived pension rights might improve their income situation.

Survivors' pensions are an important element in this regard in all countries. Furthermore, divorced women might benefit from a split of pension entitlements to a certain extent. In Germany, statutory claims acquired during marriage are equally shared between partners. In Poland, divorced women are identified as the most vulnerable group, in the case that they have no employment record.

What is the relevance of supplementary pension schemes?

The relative importance of voluntary private pensions is considered rather low in Italy and Poland. In Italy, private pension payments have not been included in the simulations. This is caused by the fact that the role of private pension income for current pensioners is rather limited and no sex-segregated data on private pension contribution payments for younger generations is available.

In Estonia, the mandatory funded pension is expected to play a considerable role for women in the future. The estimated amount of the funded part of the pension scheme for a woman in 2008 represents an increase of the state pension by 45% and represents around 30% of the total estimated pension income. In the UK, private pensions gain importance for all women in the younger cohort apart from scenario 1 and would increase from 11.8% of total pension income for the older cohort to 24.7% for a woman with a full employment history. The assumed rates of return in the British scenario are however rather high.

In Germany, private pensions will play a more significant role in the future due to various instruments which have been introduced in recent years to increase participation in private pension schemes and to make up for lower replacement rates in the statutory pension scheme. For women, the state-subsidized *Riester-Rente* will be of particular importance, as co-payments by the state increase with the number of children.

4.5. Summary

The five country studies illustrate on a case-study basis how pension reforms and changing employment patterns of women will impact on future pension payments to women.

The country studies provide a snapshot of possible pension outcomes for women in the year 2008 and 2050. They are based on different country specific assumptions and calculation methods, thus the results have to be interpreted carefully and cannot be compared to each other directly.

The results show that the gender pension gap, i.e. the relative differences in pension income between a woman and a man, is expected to increase in the future in some countries (Poland, Estonia) and will remain stable in others (Germany). Only in the United Kingdom and in Italy will the gender pension gap decrease. The main underlying reason for increasing inequalities is the gender pay gap and the fact that recent pension reforms have strengthened the link between contributions and benefits. In Italy, the decreasing gender pension gap is caused by the assumption of a smaller gender wage gap, in the UK by the assumption that younger cohorts will have longer employment records.

These results confirm that an increase in the retirement age for women will be an effective instrument to strengthen women’s pension entitlements, as is shown in the case of the United Kingdom as well as Italy.

The results also confirm that child care credits can play an important role in improving pensions of women with employment interruptions, as demonstrated in the case of Germany.

An important aspect to consider is how transitional regulations from old to new pension schemes will impact on the middle generations that will retire between 2008 and 2050. A large proportion of the measures introduced with pension reforms in the five countries analyzed have been decided upon only recently and long transitional rules will determine pension amounts of women (and men) retiring in the next few decades. This concerns the increase in retirement age (which will be phased in gradually in all countries). It is also relevant with regard to granting care credits, which usually will not be applied retrospectively, but only for women in the future, and with regard to participation in privately managed pension schemes, as in many countries such schemes have also been introduced quite recently and will be relevant only for younger generations.

5. Best Practice Examples and Conclusions

This final part of the study presents some best practice examples and conclusions of how to improve the situation of women with regard to pensions.

The analysis of existing research and a review of EU-SILC data in chapter two showed that income from pensions is by far the most important component of income in old-age and is even more important for women than for men. Pension income constitutes up to 90% of income for women, this share is higher in most countries for women compared to men.[102]

The comparative review of existing measures to offset gender inequalities in 15 EU countries revealed that there is a broad spectrum of measures in pension schemes which impact on the old-age income of women. These measures include both the general characteristics of a pension scheme and measures which specifically aim at reducing the pension gap between women and men.

When analyzing the impact of different measures, the interaction between individual measures with a specific pension system and the employment patterns of women in a country is very important. Although the level of pension benefits is mainly determined by individual employment, measures to offset gender inequalities are important as they contribute, albeit often to a limited extent, to additional pension rights. At the same time, they might represent a disincentive to work. A sound balance between the measures and the related work incentives therefore is important in each specific country context.

In general it can be said that a trend can be observed in many European countries to tighten the link between contributions and benefits. This represents a disadvantage for those with lower incomes, among them many women. The case studies carried out in chapter four underline the notion that the gender pension gap will persist in the future and might even become larger. Thus supplementary corrective solidarity measures are of growing importance, and these include minimum income guarantees, credits for non-contributory periods, survivors' pensions or other regulations concerning the marital status. There are numerous examples within the countries studied here where certain measures can either aim to positively influence the length of life-time employment of women or provide for mechanisms that reduce the risk of women receiving lower pensions in old age. These best practice examples are described in the following sections.

Minimum Pensions – Protecting Women from Poverty in Old Age

As shown in chapter two, women are at risk of poverty in old age more often than men. Minimum income guarantees in pension schemes aim at safeguarding pensioners from poverty.

Protection from poverty in old age can be provided in several ways, either as residence-based minimum pensions or as minimum provisions (contributory pensions) within earnings-related pension schemes. Means-tested social assistance benefits are usually seen as the last means of providing a safeguard against poverty. Even if the latter are not part of the pension system, they represent an important instrument to prevent elderly women from poverty.

[102] See chapter 2, Table 3.

If minimum income guarantees are to fully protect from poverty it would be important that their level is equal or at least very close to the at-risk-of-poverty rate. However, in many of the countries analyzed in this study these guarantees often provide only for an income that is below the at-risk-of-poverty level. [103] One best practice example in this context, however, is an earnings-related minimum pension in Belgium, which provides for a pension that more or less equals the at-risk-of-poverty rate, also for those who have worked part time for a considerable period. This is particularly important for women, as they tend to be predominant among part-time workers (mainly due to child-rearing responsibilities) for a considerable number of years in certain countries. Another country in which contributory minimum pensions reach the at-risk-of poverty threshold is Portugal.

Best practice example for contributory minimum pensions: Belgium

A means-tested pension supplement is granted for at least 30 years of at least half-time employment if a person is eligible for an old-age pension. The minimum pension is set at 976 € (for a single-person household in 2008) for a full working career of 45 years and reduced proportionally for each missing year. The full minimum pension in 2006 amounted to 99 % of the at-risk-of-poverty level.

Best practice example for contributory minimum pension: Portugal

A minimum pension within the public system is granted for 15 qualifying calendar years with earnings registered. The amount is set at 364 € for 30 contributory years and reduced proportionally for each missing year. The amount represents close to 100 % of the poverty threshold in Portugal. The pension is not means-tested.

In general, minimum income provisions are more beneficial to women as there are more women than men with no or limited records of employment who rely either on a residence-based minimum pension, on a contributory minimum pension or on social assistance allowances.

In order to keep minimum pensions at their current levels, adequate indexation is necessary. While the adjustment of employment-related pensions normally depends on wage increases, the adjustment of minimum pensions is often either carried out on a discretional basis or related to inflation rates. In both cases there is the risk that the minimum pension could over time lose ground in comparison with average wages and employment-related pensions and that the relation of minimum pension and the at-risk-of-poverty rate worsens over time.

Raising the retirement age

As shown in chapter three the retirement age for women and men still differs in a number of countries, although in most countries a transition process during which the state pension age for women and men will be set at the same level is under way. A lower retirement age for women means that, even if they have no interruption in their employment record, women will accrue fewer contributory years and therefore have lower pensions than men. In order for these mechanisms to gain optimal effect, however, the labour market must offer sufficient possibilities for the elderly, both women and men, to remain in employment. Only under

[103] Minimum income provisions in several countries would however be closer to the at-risk-of-poverty rate if benefits in kind were also to be accounted for, which is not the case in this study.

these circumstances will raising the retirement age of women be an effective means of increasing women's pensions.

Best practice example for raising the retirement age of women to that of men: United Kingdom

In the UK the retirement age for women is currently 60, while that of men is 65. Retirement age for women and men will be gradually raised to 68 by 2046. According to the estimations for pension outcomes for women in 2050, this measure makes a considerable contribution to higher pensions for women in the future.

Best practice example for raising the retirement age of women to that of men: Estonia

The retirement age for women is currently 60.5 years, in comparison to 63 years for men. The retirement age of women will gradually be raised to reach that of men by 2016. This measure is notable as in general life-expectancy in Central- and Eastern European countries is lower and so have been retirement ages traditionally. A higher retirement age will enable women to accumulate more contributory years in the future.

The issue of raising retirement ages becomes even more important with the current tendency in many countries to tighten the link between contributions and benefits in earnings-related pension schemes. Such a development also represents a disadvantage for those with lower incomes, a large number of women among them. Even if access to earnings-related pensions has in many cases become easier thanks to lower minimum contributory periods, on balance the less redistributive character which has been introduced in a number of countries might affect women negatively. Thus longer employment times and the level of income are of growing importance.

Another option which will help to enable women to catch up with men with regard to the length of employment is to abolish a fixed retirement age and introduce a flexible retirement age within a given corridor. Women are thus not disadvantaged in comparison with men and can decide individually the age at which they wish to retire, given open labour market possibilities.

Best practice example for introducing a flexible retirement age for women and men: Sweden

In Sweden the fixed retirement age has been abolished. Employees have the right to remain in work until the age of 67. The earliest possible age for retirement is 61. Potential retirees enjoy freedom of choice and pay an actuarial “price”, i.e. a lower pension benefit in case the whish to retire earlier.

Best practice example for introducing a flexible retirement age for women and men: Finland

In Finland the retirement age has been made flexible for women and men within a corridor ranging from 63 to 67 years. In addition the accrual rate for contributory years of this age group have been rising considerably (4.5% instead of 1.5%) for younger age groups, i.e. those contributory years are weighted higher in the pension formula. Working during old age thus provides an opportunity for women to make up for gaps in their employment which occurred in earlier phases of their working careers.

Crediting Periods of Care

It is still mostly women who interrupt employment or work part time to embark upon periods of care. Credits for non-contributory periods are therefore an important measure to offset gender inequalities in old age.

Credits for Maternity and Child Care

Breaks in the employment record of women most frequently occur in connection with taking care for children.

Child care credits have been introduced or extended in many EU Member States. The level and duration of such credits in earnings-related pension schemes however vary considerably. Only in very few cases do they actually fully replace contributions at the same level as contributions from former employment. If such credits are to close employment gaps in earnings-related pension systems, they would need to be raised substantially in many countries.

Often women combine child care with (part-time) employment, but not all countries analysed in this study offer them a possibility to benefit from a care credit. These women would not benefit from a care credit which is granted only when employment is interrupted. In order not to diminish the incentive for women to take up employment and to ease re-integration into the labour market, child care credits could be granted in parallel to employment to top up pension entitlements based on employment. The countries also differ in their regulations who (woman or man, or both) is eligible for a care credit.

Best practice example for child care credits: Germany

Child care credits are granted for 3 years after birth. Credits are granted on the basis of average earnings and regardless of employment, i.e. credits can be added to contributions gained from employment.
In addition, further credits exist for a parent of at least one child who is working part-time. The contributions gained from employment are topped up by 50% with a maximum limit of contributions based on average earnings.

With regard to providing flexibility to women, certain countries, e.g. Sweden and Hungary, offer a number of different care credit options and the one taking the credit can choose the most beneficial option. Different life and employment models of women are taken into account.

Best practice example for child care credits: Hungary

Either parent providing child care can choose between three different options: (a) child care credits for children up to 2 years of age where the contribution base amounts to 70% of the previous wage (maximum 70% of the doubled minimum wage); (b) child care credits for the care of a child up to age of three years with contributions based on the minimum pension; (c) child care credits until the youngest of at least three children turns 8 with contributions based on the minimum pension. In all cases parallel employment is possible.

Best practice example for child care credits: Sweden

A parent in Sweden has several options as regards child care credits. The most favourable option is automatically chosen when calculating pension benefits. Credits are granted for 4 years in accordance with one of three alternatives: (a) the credits cover individual income losses up to a maximum income ceiling; (b) the credit covers 75% of the average income; (c) a credit based on ca. 20% of the average income is added to the actual contributions paid from earnings.

Comparing regulations on child care credits, several conclusions can be drawn. Women particularly benefit from regulations that are generous in terms of the amount of pension credits granted. However, often the amount of credits granted is rather low. Women also benefit from regulations that are generous in terms of the length of credits granted. However, the option to interrupt employment for a longer period might be a disincentive to take up work. Thirdly, flexible solutions are important which allow for parallel employment.

The regulations on child care credits differ considerably among countries with regard to the duration and level of compensation. In addition, employment participation and the length of employment interruptions, as well as the role of part-time employment, vary considerably among the countries analyzed. Thus, child care credits have a different impact in the context of different pension schemes and female employment patterns.

Care Credits for Other Forms of Care

Only a few countries consider other caring periods (e.g. for frail and elderly family members) in the pension scheme. By far the largest share of such care is provided by women. In order to provide such care, women frequently reduce or give up employment.

Care credits for other forms of care are generally less generous than child care credits. The provision of care credits is often technically complicated and depends on the fulfilment of a number of criteria sometimes ruling out anything other than marginal employment (as is currently the case in the UK). Often the regulations are implicitly targeted at helping women fulfil the entitlement criteria to obtain a minimum pension (e.g. in Poland). Austria could be considered as a best practice example, providing adequate care credits to those caring for frail or disabled family members for up to four years.

Best practice example for care credits: Austria
Persons caring for a frail or disabled family member may pay voluntary contributions at a reduced rate. Up to 100% of contributions are paid by the state for up to 4 years depending on the form and volume of care necessary

Regulations Regarding Marital Status

Regulations concerning marital status are important, in particular for those women who are currently in or close to retirement. The most important are survivors' pensions. Survivors' pensions were – and still are – an important measure to safeguard widows from poverty and to maintain their standard of living. In recent times, certain regulations relating to survivors' pensions for cohabiting partners have been implemented, and a split of pension rights in case of divorce has been introduced in some countries in order to cope with changing life patterns. In addition, in a few countries spousal benefits provide married couples with an additional (spousal) pension supplement in case only one of the partners can claim a pension. Spousal pensions are only available for married women and might disadvantage single women, and in addition they might also reduce the incentive for women to build up their own entitlements to a pension.

Survivors' pensions are derived pension rights not linked to the survivor's own contributions and might provide incentives not to build up sufficient individual pension entitlements. Survivors' pensions also play an important role in reducing the at-risk-of-poverty rate, particularly for women who disproportionately benefit from survivors' pensions due to their higher life expectancy and lower individually gained pensions.

Survivors' benefits differ in level, qualifying conditions and duration of payments. In most countries, for surviving partners above the state pension age, entitlement criteria set a low barrier to obtain the survivors' pension. For a surviving partner below pensionable age entitlement criteria are often more restrictive and demanding, e.g. requiring the raising of a child under a certain age or the incapacity to work.

Best practice example for survivors' pensions: Poland
Survivors' pensions in Poland amount to between 85% and 95% of the pension of the deceased. The surviving partner has to choose between their own pension and the survivors' pension. If the entitlement criteria are fulfilled once, the survivors' pension does not cease after remarriage.

Due to the increasing employment participation of women and the accumulation of individual pension claims, there is a trend to tighten the entitlement criteria for survivors' pensions and to reduce the level of survivors' pensions. In Sweden, for example, survivors' pensions are being phased out, and only transitional payments to widows or widowers do still exist. This reflects both the philosophy that pension entitlements should be based on individually collected rights rather than on derived rights, as well as the relatively high level of individual pension entitlements in Sweden.

A new challenge for pension systems are changing family pattern to which they need to adapt. In a number of countries a divorced partner is entitled to a survivors' pension. This entitlement however ceases if the divorced partner remarries. Sometimes a survivor's pension is only granted if the divorced partner was entitled to alimonies. Only in very few countries (Belgium, Germany and to some extend in the UK) a split of pension rights is foreseen in case of divorce.

Best practice example for divorce regulations: Belgium

In case of a divorce the partner with the lower income and contributions benefits from that of the former partner. 62.5% of the income during the marriage of the former partner minus own income during the marriage is acknowledged for the pension

The reasoning behind splitting pension entitlements acquired during the marriage is the understanding that pension rights are joint assets and that all pension entitlements acquired during a marriage are equally shared between the former couple. Such a regulation might help divorced women with no or only part-time employment and low pension entitlements to increase pension rights.

Regulations pertaining to cohabitation can be found in a limited number of countries analyzed in this study, including Germany, Finland, Hungary, Portugal, Sweden and the United Kingdom. In most of these countries cohabiting partners are eligible for survivors' benefits. Partners have either to be living together for a certain time (Portugal), or have a child (Sweden) and/or a registration of partnership (Germany, Finland, Hungary, the United Kingdom). These regulations reflect changing family structures and protect women in the case of the partner's death. They provide, however, no protection in the case that the cohabiting couple splits.

Spousal regulations still exist in a few countries (e.g. Belgium, Ireland, the UK) and stem from a period when women often had no pension entitlements of their own. While they are positive to the extent that the income of a couple is increased, they also bear some negative effects, as the dependent partner is most likely to be a woman, which contributes to the continued economic dependence of women of pensionable age. Spousal pensions might also reduce the incentive for women to build up their own entitlements to a pension.

Regulations with Regard to Privately Managed Schemes

Privately managed pension systems are becoming more and more important throughout the countries of the European Union. Hence, it is particularly important to analyze measures that might positively or negatively effect gender equality in such schemes. While for funded tiers of mandatory, statutory pension schemes the most important issues are unisex tariffs and the provision of care credits, for occupational schemes and pensions that are provided individually it is coverage, participation and, once again, unisex tariffs that are of special relevance. In some countries, important gender differences in occupational pension schemes can be observed, which might be explained however by the unequal distribution of occupational pension schemes, which are more widely used in areas of industry that are typically male-dominated, whereas such schemes exist less frequently in other fields and smaller companies where women tend to be over-represented. Thus it might be more difficult for women to access occupational schemes. Furthermore, the opportunity for women to participate in voluntary private schemes might be limited, as women tend to work more frequently part-time in some countries and have lower earnings.

In private pension schemes unisex tariffs are an efficient measure to level out income inequalities between women and men in old age. Sex-segregated tariffs would result in considerably lower pensions due to longer life expectancy of women. In those countries with mandatory privately managed schemes unisex tariffs have been introduced in many cases. Best practice examples here are Estonia, Hungary, Poland or Sweden. However, most occupational schemes and voluntary private schemes operate on the basis of sex-segregated tariffs. One best practice example for voluntary private schemes with unisex tariffs is the so called *Riester-Rente* in Germany.

Best practice example for unisex tariffs: Estonia, Hungary, Poland, Sweden and Germany

Unisex tariffs have been introduced in the privately managed, funded and mandatory tier of the pension system in Estonia, Hungary, Poland and Sweden. A notable exception for a *voluntary* privately managed pension scheme that is operating with unisex tariffs is the German *Riester-Rente*.

In countries where funded mandatory tiers that are privately managed have been introduced it is important that similar provisions for care credits in funded schemes are in place as in the pay-as-you-go system, i.e. that contributions to private schemes are paid by the state also into the privately managed funded tier. If not, the positive effect of care credits in the pay-as-you-go scheme will be counteracted by lower pension payments due to missing contributions from the mandatory funded tier.

Best practice example for care credits in mandatory privately managed systems: Hungary, Poland and Sweden

Care credits are provided in privately managed schemes at the same replacement rate as in the pay-as-you-go scheme, i.e. during employment interruption due to periods of care a contribution to the private scheme is paid by the state.

In almost all European pension systems people are encouraged to save voluntarily into individual private (and occupational) schemes. Participation in such schemes is usually promoted with the aid of tax incentives. However, tax incentives tend to provide higher incentives to higher-income earners, not necessarily women. Thus, direct subsidies might be more effective as an incentive for both women and men to participate in voluntary schemes.

Best practice example for direct subsidies for voluntary private pension schemes: Germany

A general subsidy and a child allowance are paid by the state for the *Riester-Rente* and top up individual savings. Participation is thus encouraged, especially for women who can benefit from a double subsidy.

Conclusions

Income differences between women and men and interrupted employment records are reflected in the pension scheme. The level of pension benefits is mainly determined by individual employment. As women tend to have lower wages and employment biographies with more interruptions, they are faced with a higher risk of receiving a lower pension.

Pension systems may level out some of the differences in earnings and compensate for interruptions in employment. However, measures within a pension system will not be able to compensate fully for the gender pay gap as they will only contribute to a limited extent to additional pension rights. It would be therefore important that pension systems result in a gender pension gap that is lower than the gender wage gap rather than reinforcing inequalities.

Measures to increase pension income of women should not present a disincentive to build up women's own pension rights based on employment. Thus, it is considered positive if care credits not only compensate for lost income but also provide the possibility of parallel employment should one wish to do so – on the other hand, care credits provided over a longer period but only if a person is not employed might both result in lower pension entitlements due to the lower contributions/credits and make future adequate employment more difficult due to a long absence from the labour market. Similarly, survivor’s pensions improve the situation of many women in old age but in case they represent a disincentive for work they can enhance existing gender inequalities.

In many countries the importance of additional, mostly privately managed pension schemes is underlined. This tendency might prove to have negative effects on the future pension amounts for women, because pensions will reflect income differences between women and men and lower entitlements due to employment interruptions even more clearly. Thus it is important that in private mandatory funded schemes measures to offset gender inequalities adequately compensate disadvantages in the same ways as in pay-as-you-go public schemes.

It is expected that the gender pension gap will persist in the future and might even become larger. The main underlying reason for these increasing inequalities is the fact that recent pension reforms have strengthened the link between contributions and benefits, which might also reflect more closely the existing gender pay gap. When analyzing the impact of different measures to offset gender inequalities, the interaction between individual measures within a specific pension system and employment patterns of women in a certain country is very important. While in one country care credits granted in addition to part-time work might prove an efficient measure to upgrade pension entitlements of women, in another country with low part-time employment rates of women this measure might not have any impact on women’s pensions at all.

The time lag of reforms has to be taken into account when assessing measures aiming to improve the pension income of women. Many of the measures described in the study were introduced only very recently and will be granted only to younger generations. A large proportion of elderly women will not benefit from measures introduced now or some years ago, as the regulations are not applied retrospectively.

There are numerous examples within the countries studied that show how measures have a positive effect on the pension outcome of women and reduce the risk of women receiving lower pensions in old age. Measures within the pension system that at least partly compensate for times of no employment are particularly effective when replacing a large share of former income. Regulations creating the possibility for women to gain higher entitlements by making their own contributions from employment tend to prove even more effective, as long as women have the opportunity to be employed and decide to take that path.

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