ESPN Thematic Report:

Assessment of Pension Adequacy in Liechtenstein

2017

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EUROPEAN COMMISSION

Directorate-General for Employment, Social Affairs and Inclusion
Directorate C — Social Affairs
Unit C.2 — Modernisation of social protection systems

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European Social Policy Network (ESPN)

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The European Social Policy Network (ESPN) was established in July 2014 on the initiative of the European Commission to provide high-quality and timely independent information, advice, analysis and expertise on social policy issues in the European Union and neighbouring countries.

The ESPN brings together into a single network the work that used to be carried out by the European Network of Independent Experts on Social Inclusion, the Network for the Analytical Support on the Socio-Economic Impact of Social Protection Reforms (ASISP) and the MISSOC (Mutual Information Systems on Social Protection) secretariat.

The ESPN is managed by the Luxembourg Institute of Socio-Economic Research (LISER) and APPLICA, together with the European Social Observatory (OSE).

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http:ec.europa.eusocialmain.jsp?catId=1135&langId=en

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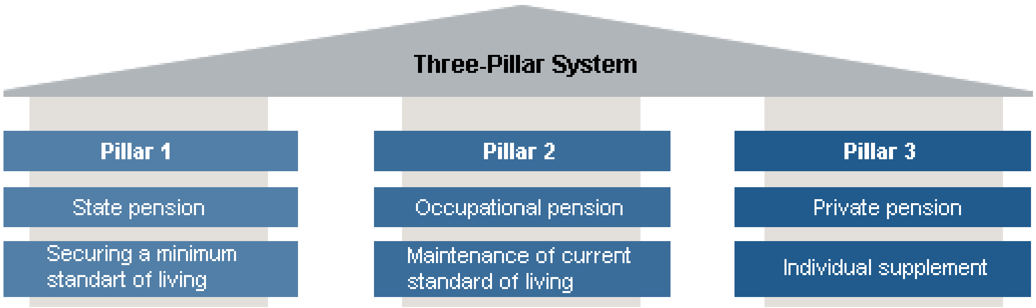
1 SUMMARY / HIGHLIGHTS

- Liechtenstein's pension system is a three-pillar system, made up of statutory, occupational, and personal pension schemes. Statutory and occupational pensions are mandatory, while personal pensions are voluntary. Financed by state contributions (in the case of statutory pension) and by employers and employees (through defined-contribution plans), the system has functioned effectively in recent years. However, by 2015/2016 it had become obvious that the financial sustainability of the pension system was an issue, as the ageing population needed to be provided with a secure source of income for a longer retirement period than in the past.
- As part of a "Budget consolidation package – Agenda 2020", the Liechtenstein government announced changes and cost-cutting measures in the statutory pension system. The federal subvention was drastically lowered and set at a fixed amount, instead of 20% of federal annual expenditure as in previous years.
- The announced changes enacted with the 2016/2017 pension reform sought in particular to increase revenue from policy holders as state contributions are lowered. The reform stepped up efforts to increase effective retirement ages and limited the benefits of early retirement by reduced pension payments. The rationale behind this is to encourage more people to work longer before retirement so that a larger revenue from contributions would be collected and individual pension entitlements are increased.. These measures are likely to have a positive effect on the current financial shortfalls within the system, but will not ensure pension adequacy in the coming years or long-term sustainability.
- The government will have to reflect on further approaches, such as: new pay-out calculations that account for longer life expectancies; structural changes in the contribution mechanism to avoid any decline in the replacement rate; a focus on career length instead of pensionable age; and amendments to the institutional arrangements, since pension funds play an important role in channelling savings to long-term investment.
- Finally, it has to be mentioned that no specific adequacy indicators in Liechtenstein are available to enable a comparative analysis to be made between the pension systems of the EU member states and Liechtenstein.

2 General description of the national pension system

Liechtenstein's pension system was designed as a three-pillar system, with each pillar having a clear definition, as shown in the figure below.

Figure 1: Pension system in Liechtenstein



Source: Pension system in Liechtenstein; http://www.regierung.li/news1.aspx?id=86269&nid=7218

By far the most important source for the provision of retirement income in Liechtenstein is the so-called "**statutory pension system**" (Gesetzliche Pensionsversicherung, or state pension). It consists of the Old Age and Widow's/Widower's Pension Fund /Insurance[1]. It provides old-age pensions (OASI) and surviving dependants' pensions (DI), as well as invalidity pensions (IC). Today, the statutory pension system covers, in principle, all people in gainful employment (including the self-employed) as well as unemployed persons over the age of 20. Persons with non-standard employment contracts have to pay pension contributions equal to standard employee contributions, but limited to the contractual time period. Contributions are obligatory and unlimited based on earned income. The maximum monthly pension is limited, regardless of how much an individual has contributed.

The state pension schemes cover insured persons against the loss of income due to retirement or invalidity and aim to ensure a basic standard of living and provide financial benefits in case of invalidity. Persons with an employment contract have to pay a rate of 3.8% for old-age and survivors' insurance and 0.75% for invalidity insurance, directly deducted from their salary. The contribution basis is given by the salary (under a specific addition and subtraction formula); and in the case of residents who are without employment, a certain fixed sum has to be contributed. There are no obligations for contributions to the family allowance and the administration fee, as they are fully paid by the employer. Thus, the contribution by the employee is 4.55% and the employer pays an additional amount up to 11.2% for each employee. At present, men and women are entitled to draw a statutory pension once they have reached the age of 64 (the ordinary retirement age for men and women)[2].

The calculation of the pension is basically dependent on two factors: the number of contribution years, on the one hand, and the average income on which contributions were made, on the other.

[1] Defined by the Old Age and Widow's/Widower's Pension Act, 14.12.1952 (AHVG) and the By-law on the Old Age and Widow's Pension Act, 30.11.2010 (AHVV). Link: http://www.ahv.li/home.html?F=0print%2Fprint%2Fprint.html

[2] The guaranteed pension amount for a regular pension was fixed in 2011 (minimum of 1,160 Swiss francs (approx. €1,101) up to an upper limit of Swiss francs 2,320 per month (approx. €2,140) per calendar month, subject to an uninterrupted contribution period), being paid 13 times a year. The widow's/widower's pension allowance has been set at a minimum of 928 Swiss francs (approx. €881) per month under the same regulations as the regular pension allowance.

The guaranteed minimum annuity is only slightly above the breadline defined for a one-person household[3]. Taking into consideration that the minimum annuity reflects the main income for a household of more than one person, additional income would seem to be necessary to meet basic living needs. This shows very clearly the need for additional pension payments from occupational or personal pension funds or a second income from another family member.

In contrast to many other systems, the statutory pension scheme also encompasses legally mandated contributions by non-employed persons; in particular, all non-employed spouses of insured persons must make contributions, without exception. This has less to do with creating an additional funding source than with implementing the principle of insurance: whoever claims a pension should be required to make contributions.

Company pension funds are the basis of the **occupational pension** scheme (second pillar), designed for gainfully employed persons in Liechtenstein. The contribution system is not based on a redistribution from workers to pensioners; instead, each worker pays contributions towards their own personal pension fund. These contributions are split equally between employer and employee. The accumulated old-age capital is paid out to the employee upon retirement either as a monthly pension or as a lump sum. Ideally, income from the state pension scheme (AHV) and the company pension fund combined should correspond to 60% of the last salary before retirement[4].

Company pension funds, which are subject to the Law on the Supervision of Institutions for Occupational Retirement Provision (Pension Funds Act; PFA), require a license from the Financial Market Authority of Liechtenstein (FMA) before they can take up their business activities. The FMA supervises all the business activities of the pensions funds and requires them to comply with appropriate internal monitoring procedures.

The third pillar, **personal pension schemes**, was designed to further increase benefits at retirement. The so-called individual occupational pension scheme is made up of private savings and/or private and voluntary old-age insurance policies. The idea behind the third pillar is to supplement the state pension and occupational retirement provisions with additional, individual means to provide for an ultimately comfortable retirement.

The individual occupational pension scheme allows the individual to decide how to invest their money. Nevertheless, the third pillar is not a supported pension scheme and does not include state or employer contributions. However, the impact of the personal pension schemes on the level of future pensions is likely to be rather limited.

As far as **flexible retirement** is concerned, women and men can benefit from retirement pensions from the age of 60. Those who decide to draw an early pension must accept a life-long pension reduction, even after reaching legal pensionable age. The reduction is determined individually and varies from 21.8% (early retirement at the age 60 for those born in 1958 or later) to 3% (early retirement at 63 for those born in 1957 or earlier). The decision to take an early pension cannot be reversed once it has started to be paid out; on the other hand it is not conditional on whether the person is still employed, either wholly or in part. Whoever draws an early pension is

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[3] Lump sum is based on the Law on Social Assistance.

[4] The regulation is laid down in the Act on Occupational Retirement, 20.10.1987 (BPVG) and the by-law on Occupational Retirement, 20.12.2005 (BPVV). Link: https://www.gesetze.li/lilexprod/lgsystpage2.jsp?formname=showlaw&lgblid=1988012000&version=5&search_text=betriebliche Altersvorsorge&search_loc=text&sel_lawtype=conso&compl_list=1&rechts_gebiet=0&menu=0&tablesel=0&observe_date=21.01.2016

still subject to the contribution obligation until legal pensionable age is reached. These contributions do not increase pension benefits in the event of an advance withdrawal.

The fact that all three pillars make a **substantial contribution to securing the accustomed standard of living in old age** is seen as particularly positive. However, no official statistics are collected in Liechtenstein on the relative importance of the various pension schemes in retirement income provision. According to reference data from the Swiss Federal Statistical Office, 85% of the income of single-person households of retirement age is made up of transfer income from old-age provision (in the case of couples without children, 78%). As the retirement systems in Switzerland and Liechtenstein consist of the same structures and the legal pension regulations are largely aligned, the situation is very likely to be similar. In addition, income from gainful employment and income from the sale of assets accrue. Statutory pension benefits make up 40 to 50% of the incomes of retired households. The contribution of occupational pensions is estimated to be approx. 30 to 40% but cannot be determined precisely, since a proportion of contributions can be drawn in the form of lump-sum payments and prepayments for the financing of home ownership and self-employment.

Finally, some further information on the income situation can be obtained from the reference rates of the three pillars of the old-age pension system. While almost 100% of pensioners receive AHV benefits after the normal retirement age, around two-thirds of them receive additional benefits from occupational pension plans. No data are available for personal pension schemes.

3 Reform trends

In 2015, as part of a “Budget consolidation package – Agenda 2020”, the Liechtenstein government announced reforms and cost-cutting measures in the **statutory pension system**. All of them were aimed at – inter alia – making cuts in public spending or increasing social insurance contributions. With regard to pensions, the Liechtenstein parliament decided to continue the federal subvention to the statutory pension until 2017, but with a fixed subvention amount (50 million Swiss francs (approx. €42.8 million) plus indexation) instead of subsidising the statutory pension regime with 20% of its annual expenditure, as had been done in previous years. The annual state subsidy will be reduced further, by more than 50%, to 30 million Swiss francs (approx. €27.5 million) from 2018 onwards. Between the financial crisis in 2008 and 2016 the pensionable age had not been increased in Liechtenstein.

As compensation for the loss of subsidy income to the statutory pension system, the parliament approved amending legislation for the statutory pension system in 2016. The amendments included:

- increasing the general pension age for men and women from 2018 onwards, from 64 to 65 years;
- higher reduction rates for early-retirement pensions;
- the adaptation of the indexation mechanism;
- higher contribution rates;
- new procedures for a technical actuarial audit every 5 years.

Contributions will rise from a total of 11.48% to 11.79% for employed persons. From 2018 on, the general retirement age will be increased from 64 to 65 for both sexes. The early retirement arrangement with reduced pension payments for persons entitled to a statutory pension remains unchanged. In respect of the early retirement arrangement, the age at which early retirement can be taken remains unchanged, but the corresponding benefit rates have been reduced depending on the age and duration of early retirement.

The first stage of the proposed reductions in state support for pensioners has no direct effect on those insured. In any event, transitional grace periods are in place so that those who are about to retire are guaranteed their legal rights and can plan securely for their future. This can also be seen from the total amount paid out by the AHV in 2016, which was 279.52 million Swiss francs (approx. €240 million) showing a significant increase of approx. 3.2% compared with 2015[5]. Within the same period, the number of people receiving an old-age and widow/widower's pensions increased by approx. 3.8%.

With reference to invalidity pensions insurance (IC), state support was completely cancelled in 2015. Due to the stable financial position of the IC insurance scheme, the lack of state support has had no impact on the payments made so far.

Regarding **occupational pensions**, many politicians have been very reluctant to argue in favour of funded schemes since the economic crisis. Thus, from 2018 onwards, the amendments to the Act on Occupational Retirement will be in force with the following main reforms:

- the legal entrance threshold will be lowered significantly. People with a low income or working part time will also have to contribute to an occupational pension;
- no contribution-free allowance anymore;
- contribution to insurance coverage starts at the age of 20 at the latest;
- the pension age will be increased from 64 to 65 for both sexes;
- contributions have been increased to a minimum of 8% of the relevant statutory pension income.

These reforms did not lead to sizeable and clear-cut problematic effects on the overall labour market situation of elderly people. The overall unemployment rate of persons in the 50+ age group decreased from 2.1% in 2014 to 1.9% in 2016[6]. Detailed figures for the unemployment rate of persons aged 60+ are not available.

No detailed assessments are available for Liechtenstein on how unemployment and changes in the old-age pension scheme have affected the take-up of early-retirement pensions. There is no empirical evidence as to whether the changes in circumstances in respect of these two points have made the possibility to opt for early retirement less attractive compared with remaining active in the labour market and then heading for the regular old-age pension. The proportion of people who made use of early-retirement agreements was 48.7% in 2016. In 2014 this figure was slightly lower (46.4%). Whether the attractiveness of the early-retirement scheme stays unchanged under the adopted regulations will be seen in the next 2 to 3 years.

4 Assessment of adequacy

4.1 Current adequacy

There are no specific indicators available to measure the level of pension adequacy. Within the Agenda 2020 measures, the Liechtenstein government realised that there is a need to support the development of statistical tools and common indicators. Statistical data in the area of social policy, differentiated by gender and age, would be necessary for that purpose. Nevertheless, up to now adequacy indicators are still not in place and no statistical data for any long-term comparison are available. Thus, no comparative analysis between the pension system of the EU member states and Liechtenstein can be made.

[5] Source: https://www.ahv.li/fileadmin/user_upload/Dokumente/Ueber/Jahresberichte/AHV-IV-FAK-Jahresbericht--2016.pdf
[6] https://www.amsfl.li/ams/upload/downloads/Arbeitslosenstatistik_2016.pdf

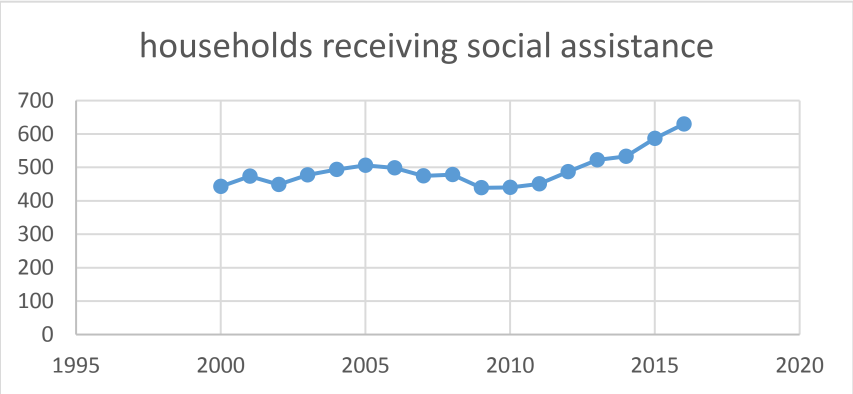
4.1.1 General assessment of current adequacy

Poverty prevention

For families with an income from the Old Age and Widow's/Widower's Pension insurance scheme, supplementary benefits are paid in cases where the total income (including from the family's savings) is below the minimum income defined by the Regulation on the Old Age and Widow's Pension Act. As the supplementary benefits are granted by law and ensure a minimum income up to the defined annual amount designed to cover the overall cost of living, they do not count as social welfare allowances and therefore do not reduce the entitlement to receive social assistance payments. Consequently, if someone in Liechtenstein receives an income from employment and/or social transfers (including pensions) which is below the breadline, they are generally entitled to social assistance.

Over the last several years, the number of households receiving social assistance has increased. The statistical data do not differentiate between households with an income from employment and those whose income comes from pensions (no breakdown by age is available). Thus, no detailed analysis in terms of poverty prevention within the pension system can be made.

Figure 2: Households in Liechtenstein receiving social assistance



Source: Office for Social Services, link: http://www.llv.li/#/16345?scrollto=true

Income replacement

Under the state pension scheme there is a linear relationship between contributions and pension benefits, based on the insured person's remuneration and the time period of contribution. Nevertheless, the system provides for a minimum and a maximum retirement pension: an average annual income of 83,520 Swiss francs (approx. €79,304) or more leads to the maximum retirement pension of 2,320 Swiss francs (approx. €2,203) per month. Thus, the AHV acts as a redistributive mechanism, since top earners contribute more into the AHV than they will later receive in the form of pension payments. For low-wage earners the AHV functions the other way around. Therefore, it can be said that one of the main tasks of the AHV and related social benefits is to prevent people from sliding into material poverty at the end of their active working life.

Pension duration

The changes enacted with the current pension reform sought in particular to increase revenue from policy holders as state contributions are lowered. The reform stepped up efforts to increase effective retirement ages and limited the benefits of early retirement by reduced pension payments. The rationale behind this is to encourage more people to work longer before retirement so that a larger revenue from contributions would be collected, while employees also created higher pension entitlements.

4.1.2 Redistributive elements of public pension schemes

When looking deeper into the current structure of the AHV, it can be observed that women generally are in a less favourable position than other contributing groups. Based on the traditional role model, women stay for a longer period at home, bringing up children and taking care of elderly relatives. The fact that younger women tend to be better educated will in future reduce the currently existing gap between pension payments for men and women. Nevertheless, Liechtenstein still faces room for improvement in giving women equal opportunities in the labour market and in the later pension situation. Thus, more focus on career length instead of pensionable age should encourage women to work longer before retirement so that better pension entitlements can be created. The figure below shows that the percentage of employed women is still significantly below 50% of the total number of employed persons in Liechtenstein[7].

Figure 3: Employed persons in Liechtenstein from 2000 to 2016

Year	2000	2008	2010	2013	2014	2015	2016
Total employed persons	26.797	33.415	34.334	36.224	36.680	36.755	37.453
Employed women	10.216	13.122	13.809	14.537	14.717	14.849	15.133
Employed women as % of total employed persons	38%	39%	40%	40%	40%	40%	40%

Source: Employment statistics, link: http://www.llv.li/files/as/beschaftigungsstatistik-2016.pdf

Figure 4: Employed persons in Liechtenstein by age in 2016

Age	14-29	30-59	60-64	65+
Total employed persons	7.519	27.296	1.751	0.887
Employed women	3.327	10.855	0.668	0.283
Employed women in % of total employed persons	44.2%	39.8%	38.1%	31.9%

Source: Employment statistics, link: http://www.llv.li/files/as/beschaftigungsstatistik-2016.pdf

Looking at the demographic composition of the Liechtenstein population, it can be said that both genders of the foreign population are over-represented in the working-age group. The relatively high percentage of people who are of working age is predominantly due to immigration into Liechtenstein. When they reach legal pensionable age, some foreign workers prefer to go back to their country of origin to spend the last part of their life there. Another important factor is that the cost of living in most of these countries of origin is clearly cheaper than that in Liechtenstein.

A very specific effect of the high share of foreigners in Liechtenstein, and of commuters to Liechtenstein, is the number (and of course the amount) of pensions paid to persons abroad. In 2016, 63.6% of the total number of pensions paid out by the AHV (not of the total monetary value) were transferred abroad.

Contributions by the current working population are certainly insufficient to cover the needs of pensioners in the future. Additionally, the falling birth rate and the ageing of the population in general (based on better medical treatment, social help, etc.) will worsen the financial difficulties within the state pension schemes.

[7] Women mainly work part time in Liechtenstein. In 2016, 27.3% of all employed persons were working part time, with a significant portion of more than 49% being women.

4.2 Retirement conditions for the self-employed and for people in non-standard employment

The **statutory pension schemes** (Old Age and Widow's/Widower's Pension Fund/Insurance) are obligatory for all self-employed and non-standard employed persons over the age of 20.

In the case of the self-employed, the state pension schemes' contributions are calculated on the basis of gross income, generally applying a rate of 7.8% for old-age and survivors' insurance, 1.5% for invalidity insurance, and 1.9% for family allowance from 2018 onwards. Additionally, 4.2% of income has to be paid as an administration fee[8]. The compensation offices determine the contributions payable on account. These are provisional contributions, based on predicted income in the current contribution year. The final contributions will be set following the tax assessment of the self-employed person. The compensation office will calculate the difference between the contributions already paid on account and the final figure. Any difference will either have to be paid or will be refunded. The obligation to pay contributions as a self-employed person ends when the person ceases to be gainfully employed or reaches the ordinary retirement age. If a self-employed person carries on working after the ordinary retirement age, special rules apply.

Persons with non-standard employment contracts have to pay pension contributions equal to standard employee contributions, but limited to the contractual time period.

The rules that apply to old-age and survivor pensions are no different for the self-employed. Thus the self-employed, in the sense of either independent service providers or 'dependent' self-employed, are not treated differently under the above-mentioned provisions. Liechtenstein's old-age and survivors' pension system does not make any distinctions in this respect.

Occupational pension schemes (company pension funds) cover professional social security, based on occupational retirement provisions[9].

The same rules under occupational pension schemes apply equally to persons with non-standard employment contracts (for example, a temporary work contract) and to gainfully employed persons. The only difference is that contributions are limited to the contractual time period.

There is no compulsory insurance for the self-employed under the second pillar. The self-employed may opt to take out voluntary insurance, as this is allowed by the pension fund regulations. In this case, they have to pay the full contribution rates themselves. Apart from that, they are subject to the same regulations as apply to standard employees.

5 Main opportunities for addressing pension-related challenges

The financial sustainability of the pension system is still an issue, as the ageing population needs to be provided with a secure source of income for a longer retirement period than in the past. The traditional pay-as-you-go pension systems based on intergenerational solidarity might not function anymore in future, even if the current

[8] Old Age and Widow's/Widower's Pension Fund, link: http://www.ahv.li/fileadmin/user_upload/Dokumente/Online-Schalter/Beitrags-Skriptum/Beitragsskriptum-2016.pdf#page=28&zoom=auto,54,760

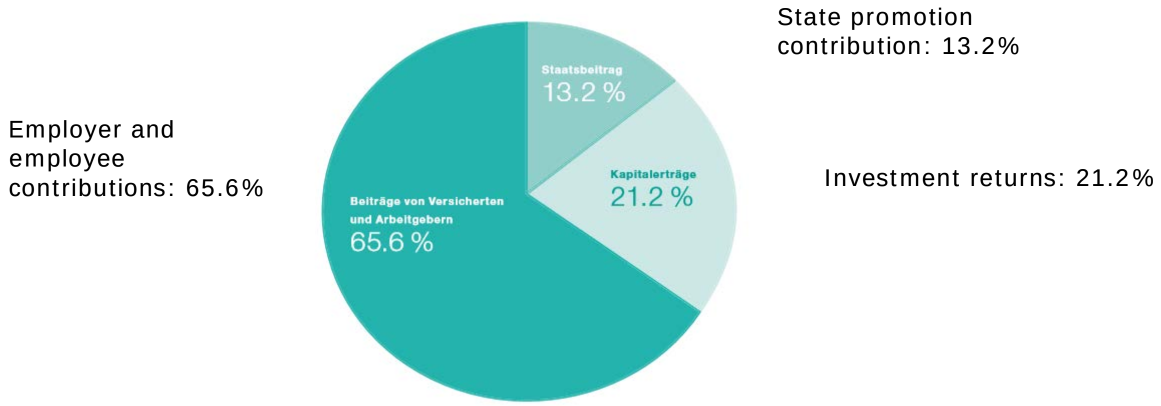
[9] Pension funds, which are subject to the Law on the Supervision of Institutions for Occupational Retirement Provision (Pension Funds Act; PFA), require a licence from the Financial Market Authority of Liechtenstein (FMA) to take up their business activities. The FMA supervises all the business activities of the pension funds and requires them to comply with appropriate internal control procedures.

reform measures work efficiently. At the same time, the rates of enrolment in second- or third-pillar pension schemes are too low to fully compensate for the decrease in the replacement rate of the first pillar. It is currently uncertain as to whether the current pension reform measures are sufficiently sustainable to offset the current gap and to ensure pension adequacy in the coming years. It remains to be seen how effective the recent reform measures are in improving incentives for later retirement and in increasing entitlements through higher contribution rates.

In order to cope with these challenges and to ensure the sustainability of the statutory pension scheme in future, the authors deem it necessary for further approaches to be devised and implemented.

Such approaches could include: new pay-out calculations that account for longer life expectancies; structural changes in the contribution mechanism to avoid any decline in the replacement rate of the statutory pension scheme; and amendments to the institutional arrangements, since pension funds play an important role in channelling savings to long-term investment. The guidelines adopted as the basis of the state pension fund, in terms of investment returns versus employer and employee contributions, will be a main issue, as the AHV is currently mainly funded by employer and employee contributions, as shown by the total contribution system in the figure below for the year 2016.

Figure 5: Contribution system to the AHV in Liechtenstein



Source: Contribution system to the AHV in Liechtenstein; https://www.ahv.li/fileadmin/user_upload/Dokumente/Ueber/Jahresberichte/AHV-IV-FAK-Jahresbericht--2016.pdf

Although investment returns are just one instrument for attaining the financial sustainability of the system, they are an interesting aspect as they raise numerous questions regarding the funding structure. Thus, questions arise such as: “How much risk should a pension plan take to achieve its assumed rate of return?” or “Who should pay if the plan investments do not perform as assumed - the employee or the taxpayers, current employees or future employees?” These aspects could also be taken into consideration by the government when making the AHV fit for future challenges. The same issues and possible improvement measures also apply to company pension schemes.

All this, of course, requires public and political decisions, and it has to be taken into account that the Liechtenstein constitution provides for the direct influence of the people by means of referendums and popular initiatives.

Another option might be a shifting of benefits to defined-contribution plans, a cash balance, or hybrid plans. These new plans typically offer less generous benefits than the existing AHV system, which they would replace, but they would make the whole AHV system more affordable in the long term. This includes the annuity calculation, meaning the way in which pension accumulations are converted into an income stream.

Such a defined-contribution plan would mean extensive pension reform and would come with increased legacy costs, but could it be an option for better managing the long-term liabilities of the state pension system. It has also to be stated, of course, that there must be guarantees that solutions do not widen the wealth and income gap between different social groups, and that the risk of poverty should be reduced by any future measures rather than being increased.

From the authors' perspective, a series of indicators are required to enable the monitoring of the various developments and to make it possible to report on a regular basis in order to reflect influences on work and family life, on the labour market, and on government policy in respect of the material welfare situation in Liechtenstein. Due to the scarcity of available data for Liechtenstein regarding widely used measures of social welfare, especially pension adequacy, no comparison with other countries is possible. The advantage of having such analyses would be to record the standards achieved, to discuss the results shown by other nations, and to adapt measures that have been successfully implemented in other highly developed economies to the local level of Liechtenstein.

Another challenge, which has not been addressed yet, is to bring informal workers into the state pension system. There is still a certain number of people with a lower level of education and job qualification skills working in Liechtenstein, for whom no social security payments are being made. However, no research and data exist regarding this issue. These illegal workers should be brought into the regular labour market.

To summarise, there are different ways and modes of facing the demographic challenges to pension systems by generating additional fiscal revenue to cover pension deficits and by increasing the number of contributors to the system. Expanding the number of contributors in the prime age group (35–45) is hardly possible. With an unemployment rate of only 2.3% in 2016 and an even lower percentage forecast for 2017 (1.6% in September 2017), most people in the prime age group are already working. Some space for expanding the labour force, apart from immigration, exists within the older population and women. Thus, it will be necessary to provide more long-lasting measures for gradual retirement, which link part-time work with collecting a partial pension in a more effective way than today. Additionally, we can expect a further increase in the retirement age that will lead to positive effects in relation to the total contribution period.

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Source: http://www.llv.li/pdf-llv-aaa-reaktion_auf_empfehlungen_en.pdf

Sozialhilfegesetz vom 15. November 1984, LGBl 1985 no. 17 Source: https://www.gesetze.li/konso/1985017000?search_text=Sozialhilfegesetz&search_loc=text&lrnr=&lgblid_von=&observe_date=09.11.2017

Unemployment statistics, Amt für Statistik Liechtenstein (Statistics Office Liechtenstein)

Source: http://www.llv.li/#/11432/arbeitslosenstatistik

Verordnung zum Sozialhilfegesetz vom 7. April 1987, LGBl 1987 no. 18 Source: https://www.gesetze.li/konso/1987018000?search_text=Verordnung%20zum%20Sozialhilfegesetz&search_loc=text&lrnr=&lgblid_von=&observe_date=09.11.2017

Verordnung zum Gesetz über die betriebliche Personalvorsorge vom 20. Dezember 2005, LGBl 2005 no. 288

Source: https://www.gesetze.li/lilexprod/lgsystpage2.jsp?formname=showlaw&lgblid=2005288000&version=6&search_text=betriebliche Personalvorsorge&search_loc=text&sel_lawtype=conso&compl_list=1&rechts_gebiet=0&menu=0&tablesel=0&observe_date=20.04.2016

Annexes

Coverage of private pension plans by type of plan, 2016

Coverage of private pension plans by type of plan, 2016
As a percentage of working-age population (15-64 years)

	Mandatory / Quasi-mandatory	Voluntary		
		Occupational	Personal	Total
Australia	75,7	x	..	..
Austria	x	13,9	18,0	..
Belgium	x	59,6	..	..
Canada	x	26,3	25,2	..
Chile	84,3	..	..	..
Czech Republic	x	x	52,6	52,6
Denmark	ATP: 84.0 QMO: 63.4	x	18,0	18,0
Estonia	81,4	x	12,3	12,3
Finland	89,8	6,6	19,0	25,6
France	x	24,5	5,7	..
Germany	x	57,0	33,8	70,4
Greece	x	1,3	..	..
Hungary	x	..	18,4	..
Iceland	85,1	x	45,2	45,2
Ireland	x	38,3	12,6	46,7
Israel	91,1	..	..	..
Italy	x	9,2	11,5	20,0
Japan	..	45,4	13,4	50,8
Korea	17,1	x	24,0	24,0
Latvia	~100	0,3	11,4	..
Luxembourg	x	5,1	..	..
Mexico	61,4	1,7	..	..
Netherlands	88,0	x	28,3	28,3
New Zealand	x	6,8	74,8	..
Norway	56,3	..	26,7	..
Poland	x	1,6	66,6	..
Portugal	x	3,7	4,5	..
Slovak Republic	36,1	x	19,0	19,0
Slovenia	x	..	..	37,8
Spain	x	3,3	15,7	18,6
Sweden	PPS: ~100 QMO: ~90	x	24,2	24,2
Switzerland	73,7	x	..	..
Turkey	1,5	1,0	13,9	..
United Kingdom	x	..	..	43,0
United States	x	40,8	19,3	..

Notes: QMO = Quasi-mandatory occupational; PPS = Premium Pension System; ".." = Not available; "x" = Not applicable, "~" = Approximately. Coverage rates are provided with respect to the total working-age population (i.e. individuals aged 15 to 64 years old), unless specified otherwise. The coverage rate for Australia is based on the Survey of Income and Housing 2013-14 of the Australian Bureau of Statistics and represents the number of people aged 15 to 64 covered by a superannuation scheme. For Austria, the coverage of occupational plans is calculated by using the number of active members in Pensionskassen only, and the coverage of personal plans refers to 2012. Data for Belgium refer to 2013. Data for Canada refer to 2015. The coverage of pension plans in the Czech Republic is calculated over the population below 65 as children may be members of plans opened by their parents. Data for Denmark come from ATP and the Danish Insurance Association. For Finland, data for mandatory private pension plans refer to the statutory earnings-related pension TyEL and MyEL plans, and include people with vested rights. Data for France refer to 2015. Coverage rates for Germany come from the Survey on Pension Provision 2015 of the Federal Ministry of Labour and Social Affairs, refer to 2015 and are expressed with respect to employees aged 25 to 64 subject to social insurance contributions. Data for Greece refer to 2014. The coverage rates for Iceland are calculated over Icelandic citizens and foreign workers in Iceland aged between 16 and 64 (source: Directorate of Internal Revenue). The coverage rates for Ireland come from the Quarterly National Household Survey (Module on Pensions Q4 2015) and are expressed with respect to workers aged between 20 and 69. For Korea, the coverage rate of quasi-mandatory plans refers to 2015 while the coverage rate of voluntary personal plans refers to 2011. The coverage rate of voluntary plans in Latvia may be overestimated as it is based on the number of accounts, and individuals in Latvia may have several accounts. Data for the Netherlands come from the Chapter 4 of the *OECD Pensions Outlook 2012*. For New Zealand, the coverage rate of occupational plans refers to 2014, and the coverage rate for personal plans is based on the number of active members in KiwiSaver plans above 17 years old in June 2016. Data for Norway come from Finance Norway; the coverage rate of mandatory plans in Norway is based on the number of active members in private group pensions and municipal group pensions, while the coverage rate of personal plans is based on the number of individual pension policies that are not in payment. The coverage rate of personal plans in Poland is based on the number of members of open pension funds only. The coverage rates in Portugal exclude pension plans funded by insurance contracts. Data for Spain come from the Chapter 4 of the *OECD Pensions Outlook 2012* and refer to 2005/2006. The coverage rate of voluntary plans in Sweden is calculated on income earners aged 20 to 64 in 2015. Data for Switzerland refer to 2015. Data for the United Kingdom come from DWP's Family Resources Survey 2015/2016. Data for the United States refer to 2013. The coverage of occupational plans in the United States comes from the Employee Benefit Research Institute and represents the percentage of American workers participating in an employment-based retirement plan in 2013, based on the Current Population Survey (CPS).

Source: OECD Global Pension Statistics.