

Folie 1:

The gender gap in pensions

Experiences from Sweden

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 - The pension systems
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Folie 2:

The Swedish pension systems

Pension scheme	Share of total pension contribution, %
National pension	61
Occupational pension	38
Private pension	1

Folie 3:

Features of the national pension

- Income pension
 - Notional defined contribution (NDC)
 - Pay-as-you-go
 - Individual notional accounts
 - 16% of covered earnings are credited to the notional account
 - The rate of return is average wage growth
 - Annuity divisor
 - Flexible retirement age from the age of 61 (62)
 - An automatic balancing mechanism
 - Financially stable

Folie 4:

Features of the national pension

- Premium pension
 - Defined contributionn (DC)
 - Funded
 - Individual financial accounts
 - 2.5% of covered earnings are paid to a self-invested personal pension
 - The rate of return is the capital rate
 - About 500 funds
 - Pension contributions can be transferred between spouses/registered partners or a survivor's cover can be chosen

Folie 5:

Features of the national pension

- **Guarantee pension**
 - Defined benefit (DB)
 - Income-tested against benefits from the other two parts of the national pension system
 - Price-indexed
 - Financed from general tax revenues
 - Can be drawn from the age of 65

Occupational pensions

- 90% of all employees are also covered by agreement-based occupational pensions
- Four main schemes: private sector white-collar workers, private sector blue-collar workers, central government employees, local authority and county council employees
- Defined contribution (DC)
- Individual accounts
- 4.5% of earnings up to the ceiling and 30% above the ceiling are contributed to a self-invested personal pension

Folie 7:

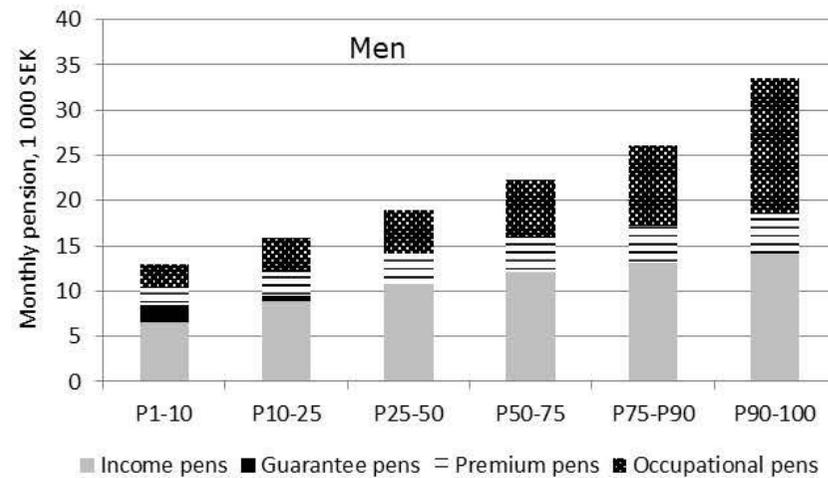
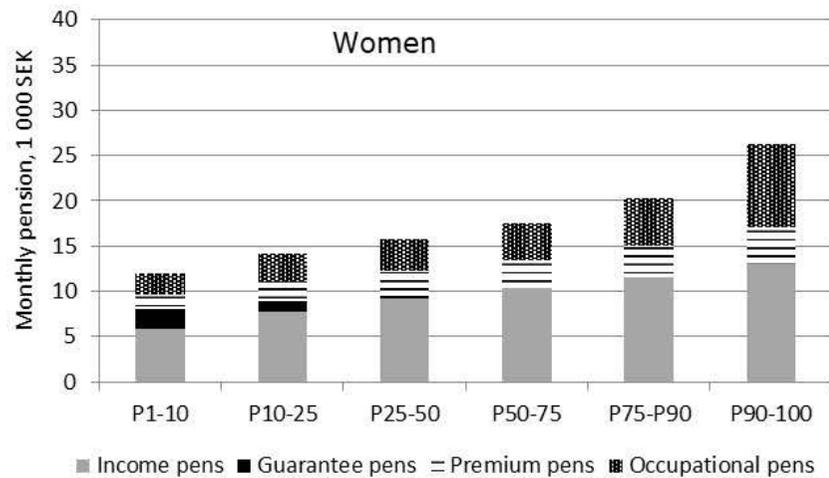
The gender gap in current pensions

Source: SCB, STAR, Swedish Ministry of Health and Social Affairs, 2016

Income	Gender gap, %
National earnings-related pension	34
+ guarantee pension	27
+ widow's pension (is phasing out)	20
+ housing allowance	17
+ occupational and private pension	27

Folie 8:

Estimated pensions of individuals born 1985-1990. Percentiles
Source: Sjögren Lindquist and Sävje-Söderbergh, Ekonomisk Debatt, 2018



Folie 9:

What affects the gender gap?

- 1. Labor market behavior
 - Men and women make different choices; education, occupation, hours in paid work, parental leave
- 2. The design of national and occupational schemes
 - DC-design, guarantee pension, housing allowance, pension credits for child years, sharing
- 3. Individual savings
 - Tax deduction

Concluding remarks

- The most essential cause of the gender gap in pensions is the differences in men and women's labor market behavior
- The social insurance safety net with a minimum pension guarantee levels out and so is of vital importance for those with low or no earnings-related pensions
- Parental leave pay and pension credits for child years mainly compensate for loss of pension qualifying income during the years with small children
- Sharing can ensure a degree of redistribution within the family without third-party payments. So far, extremely few have done so
- Tax and social insurance system give rise to incentives that affect decisions about labor activities, care activities and leisure.

Folie 11:

Various national pension outcome for women with varying behavior profiles in relation to the outcome for full career men.

Source: Ståhlberg et al. European Journal of Social Security, 2005

	Full career woman/Full career man	Full time/part time woman/Full career men	10-year woman/Full career man	Part time woman/full career man
Annual own annuities	80-100	80	35-40	60-70
Lifetime annuities	95-105	90-95	40-45	70-75
Replacement rate	100-120	100-120	120-145	100-125
Rate of return	115-130	120	310-400	120-130