

**Table 3-1 Ratio of Population Aged 65 and Over to the Total Population**

Country	Population 65+ [%of Population]					
	1980	1990	2000	2010	2020	2050
Australia	9.6	11.1	12.4	14.3	18.3	25.7
Austria	15.4	14.9	15.4	17.4	19.3	27.4
Belgium	14.3	14.9	16.8	17.5	20.4	26.5
Canada	9.4	11.3	12.6	14.1	18.2	26.3
Czech Republic	13.5	12.5	13.8	15.4	20.1	31.2
Denmark	14.4	15.6	14.8	16.8	20.9	25.4
Finland	12.0	13.4	14.9	17.1	22.6	27.1
France	13.9	14.0	16.1	16.7	20.3	26.2
Germany	15.6	14.9	16.4	20.0	21.9	29.6
Greece	13.1	13.8	16.6	18.9	21.3	32.5
Hungary	13.4	13.3	14.9	16.7	20.1	26.9
Iceland	9.9	10.6	11.6	12.4	15.5	21.5
Ireland	10.7	11.4	11.2	11.9	14.9	26.3
Italy	13.1	14.9	18.3	20.6	23.3	33.7
Japan	9.1	12.1	17.4	23.1	29.2	39.6
Korea	3.8	5.1	7.2	11.0	15.6	38.2
Luxembourg	13.6	13.4	14.1	14.6	16.6	22.1
Mexico	3.8	3.9	4.8	6.1	8.3	21.1
Netherlands	11.5	12.8	13.6	15.2	19.1	21.8
New Zealand	9.7	11.2	11.8	13.3	17.1	26.2
Norway	14.8	16.3	15.2	15.1	18.0	23.2
Poland	10.1	10.1	12.2	13.5	18.5	29.6
Portugal	11.3	13.4	16.2	17.5	20.1	31.6
Slovak Republic	10.5	10.3	11.4	12.8	17.3	30.1
Spain	11.2	13.6	16.8	17.4	20.0	35.7
Sweden	16.3	17.8	17.3	18.5	21.2	23.6
Switzerland	13.8	14.6	15.3	17.2	20.2	27.9
Turkey	4.6	4.2	5.4	5.7	7.2	17.0
United Kingdom	14.9	15.7	15.8	16.7	19.5	25.3
United States	11.3	12.5	12.4	13.0	16.3	20.6
EU 15 total	13.9	14.6	16.4	18.1	20.8	28.8
OECD total	10.8	11.6	13.0	14.7	17.8	25.5

Source : OECD(2007) ,OECD Factbook 2007

**Table 3-2 Ratio Of Population Aged 14 and under & 65 and over  
to Aged between 15 and 64**

Country	Population (-14+65 +)	Population (15-64)	(A)/(B) 2003
	(A) 2003	(B) 2003	
Australia	32.8	67.2	48.8
Austria	32.1	67.9	47.3
Belgium	34.5	65.5	52.7
Canada	31.1	68.9	45.1
Czech Republic	29.3	70.7	41.4
Denmark	33.7	66.3	50.8
Finland	33.2	66.8	49.7
France	34.9	65.1	53.6
Germany	33.3	66.7	49.9
Greece	37.7	62.3	60.5
Hungary	31.5	68.5	46.0
Iceland	34.5	65.5	52.7
Ireland	32.1	67.9	47.3
Italy	32.5	67.5	48.1
Japan	33.1	66.9	49.5
Korea	28.6	71.4	40.1
Luxembourg	32.8	67.2	48.8
Mexico	38.1	61.9	61.6
Netherlands	32.4	67.6	47.9
New Zealand	34.0	66.0	51.5
Norway	34.7	65.3	53.1
Poland	30.4	69.6	43.7
Portugal	32.4	67.6	47.9
Slovak Republic	29.9	70.1	42.7
Spain	31.4	68.6	45.8
Sweden	35.1	64.9	54.1
Switzerland	32.2	67.8	47.5
Turkey	35.0	65.0	53.8
United Kingdom	34.5	65.5	52.7
United States	33.2	66.8	49.7
OECD total	33.4	66.6	50.2

Source: OECD(2007), OECD Factbook 2007

**Table 3-3 Life Expectancy ,Total Fertility Rate and GDP per Capita**

Country	Life expectancy at birth		Total fertility rate %	GDP per capita Us dollars	
	Females	Males		2004	2005
Australia	83.0	78.1	1.77	34,240	
Austria	82.1	76.4	1.42	34,393	
Belgium	81.5	75.6	1.64	32,998	
Canada	82.6	77.8	1.53	34,058	
Czech Republic	79.0	72.6	1.23	20,606	
Denmark	79.9	75.2	1.78	34,137	
Finland	82.3	75.3	1.80	30,959	
France	83.8	76.7	1.91	30,266	
Germany	81.4	75.7	1.36	30,777	
Greece	81.5	76.6	1.29	29,578	
Hungary	76.9	68.6	1.28	17,483	
Iceland	82.7	79.2	2.04	36,183	
Ireland	-	-	1.93	38,850	
Italy	-	-	1.33	28,094	
Japan	85.6	78.6	1.29	30,842	
Korea	81.4	74.5	1.16	22,098	
Luxembourg	-	-	1.70	70,245	
Mexico	77.6	72.7	2.20	10,627	
Netherlands	81.4	76.9	1.73	35,120	
New Zealand	81.7	77.5	2.01	25,950	
Norway	82.3	77.5	1.83	47,207	
Poland	79.2	70.7	1.23	13,894	
Portugal	81.0	74.5	1.40	19,889	
Slovak Republic	77.8	70.3	1.24	15,983	
Spain	83.7	77.2	1.32	27,400	
Sweden	82.7	78.4	1.75	32,111	
Switzerland	83.7	78.6	2.21	35,650	
Turkey	73.6	68.8	1.76	7,711	
United Kingdom	81.1	76.7	2.05	32,860	
United States	80.4	75.2	1.62	41,789	
OECD total				30,065	
Slovenia				22,910	

Source: OECD(2007), OECD Factbook 2007

**Table 3-4 Public and Private Pension Expenditures in OECD Countries**

Country	Public Old-age (% of GDP)				Survivors				Disability			
	1980	1990	2000	2003	1980	1990	2000	2003	1980	1990	2000	2003
Australia	3.080	2.819	3.646	3.210	0.561	0.301	0.233	0.231	0.797	1.126	1.222	1.311
Austria	9.810	11.127	11.937	12.376	0.659	0.549	0.420	0.383	1.950	1.808	1.153	1.316
Belgium	5.938	6.518	6.781	7.002	2.966	0.597	2.125	2.128	1.766	1.384	1.188	1.291
Canada	2.830	3.882	3.914	3.976	0.212	0.420	0.436	0.429	0.273	0.454	0.420	0.430
Czech Republic		5.238	7.356	7.427		0.852	0.171	0.179		1.223	1.210	1.276
Denmark	4.644	5.118	5.342	5.336	0.110	0.000	7.819	7.200	1.677	1.574	1.536	1.812
Finland	4.664	6.340	4.451	4.850	0.854	0.987	0.611	0.624	2.185	2.158	1.497	1.526
France	0.446	0.193	0.138	0.126	7.657	9.252	10.532	10.454	1.901	1.597	1.502	1.798
Germany	9.807	9.429	10.561	11.086	0.875	0.541	0.435	0.420	0.933	0.722	0.864	0.829
Greece	5.140	10.456	11.225	11.471	0.875	0.581	0.808	0.806	0.916	1.168	0.803	0.839
Hungary			6.387	6.924			1.086	1.122			0.232	0.248
Iceland		2.194	2.162	2.365		0.067	0.037	0.036		0.684	1.310	1.605
Ireland	3.969	2.931	2.326	2.513	1.206	0.929	0.784	0.805	0.504	0.497	0.560	0.647
Italy	7.202	8.191	11.114	11.308	1.657	1.944	2.461	2.470	0.951	1.158	0.879	0.904
Japan	2.943	3.980	6.122	6.971	1.014	0.927	1.151	1.235	0.220	0.267	0.319	0.337
Korea		0.596	1.222	1.095		0.154	0.171	0.213		0.078	0.105	0.120
Luxembourg	6.556	8.465	7.153	4.489	3.805	0.856	0.569	1.980	2.707	2.256	1.772	1.856
Mexico		0.357	0.636	0.950		0.144	0.300	0.287		0.002	0.014	0.019
Netherlands	5.416	5.568	4.590	4.734	0.795	0.877	0.393	0.352	3.771	4.002	2.501	2.469
New Zealand	6.820	7.218	4.882	4.390	0.283	0.199	0.111	0.102	0.444	0.557	0.947	1.006
Norway	4.019	5.294	4.478	5.043	0.506	0.420	0.281	0.317	1.674	2.358	2.139	2.503
Poland		4.158	9.943	11.388		1.104	0.892	0.998		2.136	2.300	2.203
Portugal	3.368	4.367	7.259	8.579	0.676	0.947	1.435	1.611	1.504	1.823	1.906	1.902
Slovak Republic			6.226	6.196			0.152	0.164			0.903	0.875
Spain	4.551	7.052	7.983	7.639	1.670	0.863	0.624	0.564	1.032	1.210	1.194	1.144
Sweden	6.553	7.112	6.760	7.350	0.606	0.660	0.631	0.685	1.822	1.940	1.886	2.167
Switzerland	5.516	5.251	6.318	6.540	0.452	0.357	0.349	0.373	0.805	0.821	1.372	1.638
Turkey	1.294	2.214			0.381	0.960			0.071	0.082		
United Kingdom	3.798	4.622	5.186	5.335	1.750	0.319	0.279	0.228	0.850	1.615	2.087	1.970
United States	5.138	5.129	5.132	5.411	1.046	0.929	0.832	0.815	0.569	0.436	0.570	0.656

Source: OECD Social Expenditure Database 1980-2003

**Table 3-4 Public and Private Pension Expenditures in OECD Countries**

Country	Mandatory Private Old-age (%of GDP)				Survivors				Disability			
	1980	1990	2000	2003	1980	1990	2000	2003	1980	1990	2000	2003
Australia			0.904	0.490								
Austria		0.026	0.001	0.001	0.104	0.002	0.000	0.000				
Belgium												
Canada												
Czech Republic			0.235	0.199			0.003	0.005			0.001	0.002
Denmark												
Finland			2.340	2.653			0.322	0.318	0.000	0.000	0.356	0.375
France		0.103	0.083	0.091		0.081	0.090	0.110		0.029	0.056	0.080
Germany												
Greece												
Hungary												
Iceland		1.002	1.945	2.383		0.417	0.463	0.606		0.215	0.456	0.577
Ireland												
Italy	0.802	2.367	1.130	1.172		0.361	0.046	0.036				
Japan	0.078	0.164	0.506	0.550	0.000	0.000	0.000					
Korea		0.962	3.001	1.975								
Luxembourg				1.625				0.561				0.179
Mexico												
Netherlands			0.004	0.004			0.004	0.004				
New Zealand												
Norway												
Poland												
Portugal												
Slovak Republic												
Spain												
Sweden												
Switzerland	1.447	2.474	4.627	4.482	0.274	0.668	1.098	1.112	0.167	0.205	0.419	0.523
Turkey												
United Kingdom		0.127	0.436	0.513								
United States												

Source: OECD Social Expenditure Database 1980-2003

**Table 3-4 Public and Private Pension Expenditures in OECD Countries**

Country	Voluntary Old-age (% of GDP)				Disability			
	1980	1990	2000	2003	1980	1990	2000	2003
Australia			2.958	2.540				
Austria	0.556	0.427	0.512	0.593				
Belgium	0.292	0.799	1.465	2.303	0.598	0.495	0.406	0.533
Canada	1.363	2.596	4.047	4.190				
Czech Republic							0.046	0.054
Denmark	1.281	1.540	1.955	2.170				
Finland			0.217	0.218	0.777	0.795	0.695	0.719
France	0.150	0.050	0.054	0.059		0.156	0.275	0.271
Germany	0.484	0.642	0.707	0.708	0.057	0.078	0.084	0.084
Greece		0.361	0.484	0.488		0.940	0.777	0.740
Hungary								
Iceland								
Ireland	0.956	0.887						
Italy		0.213	0.155	0.159		0.010	0.008	0.009
Japan			2.207	2.590				
Korea				0.002				0.002
Luxembourg								0.001
Mexico								
Netherlands	1.425	2.399	3.092	3.170	0.628	0.738	0.489	0.496
New Zealand								
Norway	0.501	0.567	0.589	0.713	0.073	0.151	0.200	0.256
Poland								
Portugal	0.206	0.247	0.193	0.148	0.015	0.019	0.119	0.111
Slovak Republic			0.198	0.333			0.178	0.087
Spain	0.004	0.000	0.000	0.000	0.001			
Sweden	1.147	1.232	1.856	2.029			0.255	0.326
Switzerland		0.011	0.015	0.015		0.019	0.033	0.036
Turkey								
United Kingdom	2.267	3.827	5.417	4.188	0.714	0.283	0.615	0.534
United States	1.300	2.697	3.833	3.786	0.278	0.234	0.227	0.285

Source: OECD Social Expenditure Database 1980-2003

**Table 3-4 Public and Private Pension Expenditures in OECD Countries**

Country	Public total	Private total	Voluntary total	Grand total
	(% of GDP)			
	2003	2003	2003	2003
Australia	4.752	0.490	2.540	7.782
Austria	14.075	0.001	0.593	14.669
Belgium	10.421	0.000	2.836	13.257
Canada	4.835	0.000	4.190	9.025
Czech Republic	8.882	0.206	0.054	9.142
Denmark	14.348	0.000	2.170	16.518
Finland	7.000	3.346	0.937	11.283
France	12.378	0.281	0.330	12.989
Germany	12.335	0.000	0.792	13.127
Greece	13.116	0.000	1.228	14.344
Hungary	8.294	0.000	0.000	8.294
Iceland	4.006	3.566	0.000	7.572
Ireland	3.965	0.000	0.000	3.965
Italy	14.682	1.208	0.168	16.058
Japan	8.543	0.550	2.590	11.683
Korea	1.428	1.975	0.004	3.407
Luxembourg	8.325	2.365	0.001	10.691
Mexico	1.256	0.000	0.000	1.256
Netherlands	7.555	0.008	3.666	11.229
New Zealand	5.498	0.000	0.000	5.498
Norway	7.863	0.000	0.969	8.832
Poland	14.589	0.000	0.000	14.589
Portugal	12.092	0.000	0.259	12.351
Slovak Republic	7.235	0.000	0.420	7.655
Spain	9.347	0.000	0.000	9.347
Sweden	10.202	0.000	2.355	12.557
Switzerland	8.551	6.117	0.051	14.719
Turkey	0.000	0.000	0.000	0.000
United Kingdom	7.533	0.513	4.722	12.768
United States	6.882	0.000	4.071	10.953

Source: OECD Social Expenditure Database 1980-2003

**Table 3-5 Ten OECD Countries' Approaches to Pension, Assistance and Taxation: Part1**

	Country	Social Insurance	Universal Pension	Private Pension (mandatory or voluntary)
I N S U R A N C E	Germany	<p><u>[Old-Age Insurance. (DB/PAYG). 1957]</u>                      Coverage : Employed(special systems for miners, certain self-employed, civil service, farmers, but others voluntary )                      Source: insured-9.75% (self-employed-19.5%, reduced contribution for employed with monthly earnings between €400 to 800), employer-9.75% (15% employer payment only for employed with monthly earnings less than 400 euro), government-subsidy based on change in wage, 1% of VAT, oil and electricity tax (general tax revenue consists about 25%), *burden sharing scheme between insurers                      Qualification: age 65 with 5-years contributions (60 for disabled and unemployed),*gradually increased to 67 starting from 2012 and completed in 2029                      Benefit: earnings-related (periods for child &amp; old care counted as contributed, compensation amount for low-income workers)</p>	/	<p><u>[Individual or occupational pension (Riesterrente). (DC/pre-fund), 2002]</u>                      Coverage: voluntary (only for insured by public schemes)                      Source: insured-3% (increased to 4% in 2008), two types of government-subsidy (basic subsidy (€114, 2008:€154) and one based on number of children (€138 per child, 2008:€185), *income tax allowance for contribution and subsidy with ceiling(€1,575, 2008:€2,100)                      Qualification: age 60 or same as starting age of public scheme                      Benefit: annuity required</p>
	France	<p><u>[General Scheme(RG). (DB/PAYG). 1945]</u>                      Coverage: employed(about 150 schemes)                      Source: employed-6.55% with ceiling and 0.1% without ceiling for survivors, employer-8.2% with ceiling 1.6% without ceiling, *burden sharing scheme between schemes(1974-), *Social Security Repayment Fund(CRDS,1996-, 0.5% tax on income to finance deficit, *Special Pension Fund(1999-, asses taxation and surplus of schemes funded from 2000 to 2020, then smooth contribution after 2020), *government subsidy to total expense 7.88% in 2004                      Qualification: age 60 (40-years contribution for full)                      Benefit: earnings-related with minimum and maximum benefits based on contribution periods (periods during receiving unemployed benefit and child care taken account, spouse allowance)  <u>[Additional pension(ARRCO). (DB/PAYG). 1961]</u>                      Coverage: employed(about 400 schemes based on occupation)                      Source: insured-3%, employer-4.5%                      Qualification: age 65</p>		<p><u>[Individual pension (PERP). (DC/pre-funding). 2004]</u></p> <p><u>[Occupational pension (PERCO). (DC/pre-funding). 2004]</u>                      old schemes restructured</p>
R E D U C I B U T I O N				

Note: descriptions and figures based on 2007 data unless otherwise stipulated



**Table 3-5 Ten OECD Countries' Approaches to Pension, Assistance and Taxation: Part2**

	Country	Social Insurance	Universal Pension	Private Pension (mandatory or voluntary)
INTERNATIONAL	Sweden Public Single-tier	<p><u>[National Pension (NDC/PAYG,+FDC/pre-fund,1999]</u>            Coverage: all employed and self-employed earning more than 17,800 kronor a year(2004), upper ceiling of annual income for contribution 341,300 kronor            Source: insured-7%, employer-10.21%, self-employed -17.21% ( upper a &amp; lower ceiling for assessable income, but no ceiling for employer contribution ) ,*ratio after contribution allowance: 18.5%, 16% for NDC, 2.5% for DC), government-compensation for child care            Qualification: age 65 (early pension for NDC)            Benefit for NDC: calculated by total contribution, notional return, and average life expectancy, special allowance for child care and military service</p>	<p><u>[Minimum Guarantee Pension, DB/PAYG,1999]</u>            Coverage: resident            Source: general tax            Qualification: 40-years residency for full amount from 25 years old, at lease for 3 years, only pension test (NP) apply (private pension not taken into account)            Benefit: the gap between NP and minimum guaranteed amount (reduced proportionally if residency period short of 40 years, about 75 % of standard income after the reform)</p>	<p><u>[Pension for white color(TTP), DB/pre-fund,1974]</u>            Coverage: member of union (based on labor agreement, compulsory for company belonging to Federation )            Source: contribution based on earnings level (individual annuity)            Qualification: 30 years for full amount            Benefit: mainly replace incomes which are not covered by National Pension (income beyond the upper ceiling for contribution of NP)</p> <p><u>[Pension for blue color(SAF-LO),DC/pre-funding, 1996]</u></p>
	Japan Public Single-tier	<p><u>[Employed Pension (DB/PAYG),1966]</u>            Coverage: employed (monthly standard assessable earnings from 98 to 620 thousands yen) (Mutual Aid Association for civil service)            Source: insured-7.321%, employer-7.321%, government-subsidy to finance a third of expense of flat benefit portion (Basic Pension)            Qualification: age 65 (insured periods at least 25 years)            Benefit: basic flat portion (Basic Pension) + earning-related Earnings Test applies for additional incomes</p> <p><u>[National Pension (DB/PAYG),1961]</u>            Coverage: self-employed, farmers, part-time            Source: insured-14,100 yen monthly ( regardless of income except very low-income case ) , government-subsidy to finance a third of expense            Qualification: age 65 (insured periods at least 25 years)            Benefit: 792 thousands yen a year ( 40 years for full amount )</p>		<p><u>[Defined Benefit Plan, (DB/pre-funding), 2001]</u>            Introduced by restructuring old schemes which originated in 1962 &amp; 1965</p> <p><u>[Defined Contribution Plan, (DC/pre-funding), 2001]</u>            Coverage: employed (join corporate type), and self-employed (join individual type), civil servant excluded            Contribution: employer- maximum monthly 46,000 yen for tax deductible if no other occupational schemes and for corporate type, matching by employed not allowed</p> <p><u>[National Pension Fund,(DB&amp;DC/pre-funding),1991]</u>            Coverage: insured of National Pension (age 20-60)            Contribution: based on age of participation, eg age 30, 13,845 yen/month provides 30 thousands pension benefit/month</p>

**Table 3-5 Ten OECD Countries' Approaches to Pension, Assistance and Taxation: Part3**

	Country	Social Insurance	Universal Pension	Private Pension (mandatory or voluntary)
I N S U R A N C E	USA	<p><u>[Old-Age, Survivors and Disability (OASDI), (DB/PAYG), 1935]</u>            Coverage: all employed and self employed (except casual workers with annual net income below \$400)            Source: insured-6.2%, employer-6.2%, self-employed 12.4% ( maximum annual earnings for contribution \$97,500 )            Qualification: age 65.5 (insured period at least 10 years)            Benefit: earnings-related with higher replacement ratio for low-income ( ratio 90% for 0-22% of average wage, 32% for 22-133%, 15% for 133%- ) Earnings Test applies, if under the normal retirement age, \$1 in benefits deducted for each 2\$ earnings above \$12,960, if reached that age, \$1 in benefits deducted for each \$3 earnings above \$34,444</p>	/	<p><u>[DB&amp;DC plan based on ERISA, 1974 ]</u>            ( example of 401k )            Coverage: employed            Source: maximum of \$10 thousands for income tax allowance, employers' matching contribution recognized as expense            Qualification: penalty tax for withdrawal less than 55 years old            Benefit: pre-funding (tax free for investment returns)</p>
	UK	<p><u>[Basic State Pension(BSP), (DB/PAYG), 1948]</u>            Coverage: employed earning at least £ 87 a week (2006), self-employed earning at least £ 4,635 a year (age: male 16-65, female 16-60 )            Source(finance not only pension but also health etc): insured-11% of weekly earnings between £ 100-670, 1% of them greater than £ 670, employer-12.8% of employee's earnings greater than £ 100, self-employed- £ 2.2 a week, 8% of annual profits between £ 5,25-34,840            Qualification: male age 65, female 60, contributions paid for 90% of the working years            Benefit: £ 87.3 a week for full amount, dependent's supplement £ 52.3, *reduced if contribution period is short (minimum 25% guarantee)  <u>[Second State Pension(S2P), (DB/PAYG), 2002(1975)]</u>            Coverage: employed (about 70% choose contract-out which replace S2P with private schemes )            Source: included in above contribution (rebate when contract-out: 1.6%)            Qualification: male age 65, female 60            Benefit: earnings-related (higher replacement rates for low-income )</p>		<p><u>[Occupational pensions, (DB&amp;DC/pre-funding)]</u>            Various types and run S2P as contracting-out</p> <p><u>[Stakeholder Pension (individual pension), (DC/pre-funding), 2001]</u>            Coverage: people with low and middle income who don't join an occupational scheme (self-employed, part-time workers are expected to join, either an additional to S2P or contracting-out of S2P)            Source: minimum monthly contribution- £ 20, *commission regulated to be smaller than 1% of savings</p>
R E D I S T R I B U T I O N				

**Table 3-5 Ten OECD Countries' Approaches to Pension, Assistance and Taxation: Part4**

	Country	Social Insurance	Universal Pension	Private Pension (mandatory or voluntary)
I N S U R A N C E	Netherlands		<p><u>[Old-Age Pension (AOW), (DB/PAYG),1957]</u>            Coverage: all resident aged 15-65            Source: insured-17.9% + 1.25% ( for survivors ) ( minimum annual earnings € 13,160, maximum annual earnings €29,543 1-Π ) ,employer-5.4% ( for the disability pension for employed workers ), government-subsidy for shortfall, cost of pensions for disabled (about 1% of total benefit in 1985 )            Qualification: age 65 ( full pension if the insured has resided for 50 years between age15 and 64 and if income earned, paid contribution, transitional scheme applied since the introduction of 1957 ) , income test applied for supplementary benefit (50% of minimum wage) to partner if a partner less than age)            Benefit: flat amount based on minimum wage, single €932.67/month(70% of net minimum wage), couple €636.69/person,month(50% of net minimum wage, total of two100% ),2% reduction per year applied for uninsured periods</p>	<p><u>[Occupational pension based on Pension and Savings Act(PSW), 90% of them DB/pre-funding]</u>            Coverage: employed (schemes vary based on labor agreement, but 90% of employed covered )            Source: in general insured-1/3 of contribution, employer-2/3 of contribution            Qualification&amp; benefit 給付: in general 40 years contribution and 70% of final salary or average life-time salary including AOW</p>
	Australia		<p><u>[Age Pension(AP), (DB/PAYG),1909]</u>            Coverage: all resident            Source: general tax            Qualification: male age 65, female age 62 (65 after 2014), 10 years of continuous residence or 5 years continuous years if the total residence exceeds 10 years, income &amp; asset test applied (no test for blind), *64.1% of total elderly have the full benefit in 2004            Benefit: single-\$537.7/2weeks(25% of average male wage ) ,couplr-\$449.1/2weeks,person(25% of average male weekly earnings ), income test for single-income over \$132/2 weeks less than \$1,490.75/2 weeks reduces the rate of pension payable by 40 cents in the dollar, asses test for single- assets over \$166,750 less than \$529,250 reduce pension by \$1.5/2 weeks for every \$1,000 above the limit, Pension Bonus Scheme applied for deferring claiming Age Pension(maximum 5 years )</p>	<p><u>[Super Annuation (SA), (DB&amp;DC/pre-funding),1992]</u>            Coverage: employed age between 17-69 (compulsory except monthly income less than \$450, annual income more than \$122,440, pat-time workers working less than 30 hours/week, 92% of employed covered )            Source: employer 9% ( deducted as expense until \$50,000/year, 31.5% tax on above ) , employed contribution encouraged (income allowance), self-employed voluntary (tax treatment same as employer), government- subsidy of \$1.5 per \$1 contribution for people with low-income (less than annual income \$40,000 ) (annual maximum \$1,500 )            Qualification: age 55 (gradual increase to age 60 between 2015-20 )            Benefit: lump-sum in general            Administration: private pension funds (employer decides, but fund based on voluntary contribution employed and self-employed decide)</p>
R E D I S T R I B U T I O N				

**Table 3-6 Ten OECD Countries' Approaches to Pension, Assistance and Taxation: Part1**

	Country	Public Assistance	Taxation	Characteristics
I N S U R A N C E  R E D I S T R I B U T I O N	Germany	<p><b>[Basic Protection, 2001]</b>                      Coverage: age 65 and over, disabled age 18 and over                      Source: general tax (administered by counties and cities )                      Qualification: means-test same as ordinary public assistance (claim for compensation towards parents and children not applied if their annual earnings less than €100 thousands)                      Benefit: same as ordinary public assistance</p>	<p><b>[2005 Reform]</b>                      Contribution: income allowance for 64% of contribution (increased to 100% in 2025 by 2 percentage points every year )                      Benefit: tax on 50% of pension income already provided before 2005 (increased to 100% in 2040 by 2 percentage points every year until 2020 and 1 percentage point every year after 2020)</p>	<p>High replacement rate (standard case of 45 years' contribution, net replacement rate 67% as a goal)                      Increase of general tax revenue to finance social insurance pension (about 25% of total expense finance by tax) and introduction of pre-funding scheme, while constraining increase of contribution                      Redistribution is mainly done by public assistance, although some done within social pension insurance, recently new assistance scheme for the elderly public assistance introduced )</p>
	France	<p><b>[Old-age Solidarity Allowance(ASPA), 2006 original:1956]</b>                      Coverage: age 65 and over                      Source: Generalised Social Contribution (CSG) (ear-marked income tax to finance social security including family allowance and health care introduced in 1991, tax rate 2.4% applied to taxable income, managed by Old-Age Solidarity Fund)                      Qualification: means-test                      Benefit: gap between pension income and minimum guarantee (3/4 of average income of aged at 65 and over )</p>	<p>Contribution: income tax allowance                      Benefit: taxation after 10% or 20% deduction, subject to special additional tax of CGS and CRDS</p>	<p>High replacement rate (two-tiers scheme is required to guarantee 85% of minimum wage to be indexed)                      Benefit of occupational solidarity is financed by social insurance, while benefit of national solidarity is financed by general tax (Parliament's intervention is getting strong, thus it undermines self-independence of insurance scheme, ratio of general tax revenue to total social security: 32.6% in 2004 )                      Both minimum pension within earning-related pension scheme and Old-Age Solidarity Allowance with means-test provide safety-net</p>
	Sweden	<p><b>[Old-Age Living Assistance(AFS),2003]</b>                      Coverage: age 65 and over (mainly for those who earn low level of minimum guaranteed pension due to shorter residency)                      Source: general tax (local government)                      Qualification: means-test                      Benefit : based on earnings and housing rent (follow the standard of housing allowance)  <b>[Housing Allowance(BTP)]</b>                      Coverage: pensioners                      Source: general tax                      Qualification: means-test(supplement to pension benefit )                      Benefit: maximum up to 91% of rent</p>	<p>Contribution: income tax allowance for social insurance contributions                      Benefit: every benefit including minimum guaranteed pension taxable (special income allowance for pensioners abolished and no other allowance except basic allowance)</p>	<p>Separate insurance role and redistribution role                      Strengthen the linkage between contribution and benefit by NDC scheme                      Introduce the automatic adjustment mechanism to maintain sustainability of pension finance (cut benefit with refer to decrease of birth rate based on based on B/S                      Higher replacement rate by National Pension and occupational pension                      Minimum guaranteed pension targeting the needed financed by general tax (full amount equals to 50% of medium income)                      Minimum guaranteed pension may undermine longer workings                      Earnings-related pension indexed to wages, but guaranteed indexed to prices</p>

**Table 3-6 Ten OECD Countries' Approaches to Pension, Assistance and Taxation: Part2**

	Country	Public Assistance	Taxation	Characteristics
I N S U R A N C E  R E D I S T R I B U T I O N	Japan	<p><u>[Public Assistance,1950]</u>                      Coverage: needy person (covers everyone regardless of age)                      Source: general tax (central government-3/4 of the total expense, local-1/4 )                      Qualification: means-test                      Benefit: 7 types of benefit including standard living allowance, standard living allowance for single elderly- about 80 thousands yen/month in Tokyo, if they have revenue, benefit will be reduced</p>	<p>Contribution: income allowance for social insurance contributions</p> <p>Benefit: special income allowance for pension benefits (minimum allowance 700 thousands yen for age less than 65, 1,200 thousands yen for age 65 and over)</p>	<p>Complex and fragmented system, pension systems divided into occupational groups such as employed, government officials and self-employed</p> <p>National Pension, fixed amount of contribution and fixed amount of benefit regardless income level, thus very regressive</p> <p>Basic Pension, a scheme to bail out National Pension, its benefit level lower than that of public assistance, a half of recipients of assistance age 60 and over</p>
	USA	<p><u>[Supplementary Security Income (SSI)]</u>                      Coverage: age 65 and over, and disabled                      Source: general tax from federal government (additional assistance provided by state governments)                      Qualification: means-test (savings and assets less than \$2,000 )                      Benefit: maximum benefit for single- \$623/month (22% of average wage), if they have revenue, benefit will be reduced</p>	<p>Contribution: income tax allowance not applied to insured's contribution, but applied to the half of self-employed contribution (same as employer's contribution)</p> <p>Benefit: if a single earns \$25 thousands and more annually, whichever are smaller between 50% of benefit and 50% of excess over \$25 thousands subject to income tax, and its revenue transferred to pension fund (introduced in 1983, the total revenue from this claw-back is about 2.2% of total revenue in 2006, about 1/3 of elderly taxed )</p>	<p>Public pension not guarantee standard of living (occupational scheme necessary for middle and high income earners, SSI for low income earners), number of SSI recipients about 10% of old people aged 65 and over</p> <p>Pension finance improved in medium perspective due to 1983 Reform (no other significant reform after it )</p> <p>More tax for people with higher income</p>
	UK	<p><u>[Pension Credit (PC), 2003 (original 1999)]</u>                      Coverage: age 60 and over (rising gradually to 65 from 2010 to 2020)                      Source: general tax                      Qualification: means-test (no asset limit such as supplementary income assistance(£ 8000), but if asset exceeds £ 6000, every £ 500 on the excess over £ 6000 recognizes £ 1 as revenue (in case of supplementary income assistance every £ 250 does £ 1 ) )                      Benefit: guaranteed credit for single- £ 119.05 /month (revenue reduces benefit) + savings credit- £ 19.05/month (if other incomes such as private pension, benefit reduced only by 40% of other incomes)</p>	<p>[2004 Reform]</p> <p>Contribution: no income tax allowance for State Pension, on private pensions a single common regulation is introduced as follows.</p> <p>(a) income tax allowance up the limit of life-time savings of £ 1.8 million and the annual limit of £ 215 thousands</p> <p>(b) estimated as present value of vested benefit</p> <p>(c) 25% tax apply for annuity and 55% tax apply for lump-sum if exceed the limit</p>	<p>Difference between employed and self-employed, complex due to frequent reforms and contract-out</p> <p>Replacement rate of public scheme(BSP+S2P ) is about 35%. Replacement rate of BSP is decreasing since 1980s due to price index (not wage index)</p> <p>1/3 of elderly age 60 and over rely on assistance with means-test</p> <p>A series of privatizations alleviates public finance, but makes people's old-age vulnerable</p> <p>New Labour Government focuses on low-income groups, such as Pension Credit which is more generous than supplementary assistance</p> <p>Based on Turner Report(advisory committee,2006), and Government White Paper(2006), a reform act was enacted in 2007 (wage index applied to BSP, introduction of individual savings account)</p>

**Table 3-6 Ten OECD Countries' Approaches to Pension, Assistance and Taxation: Part3**

	Country	Public Assistance	Taxation	Characteristics
I N S U R A N C E	Netherlands	<p><u>[Benefit based on Social Assistance Law (ABW)]</u>                      Coverage: resident aged 18 and over                      Source: general tax                      Qualification: means-test (asset less than €5,245 in case of a single )                      Benefit: standard allowance for age 65 and over equals to net of AOW (revenue reduces benefit)</p>	<p>Contribution: income tax allowance applied to AOW, occupational pensions</p> <p>Benefit: taxable same as other income</p>	<p>takes 50 year to move to universal scheme which provides minimum pension for aged 65 (indexed to minimum wage)</p> <p>On public pension, contribution based on fixed rate applied to income and fixed benefit regardless contribution (ear-marked tax for pension)</p> <p>in the latter half of 1980s, thresholds for working hours and wage level on insurance abolished</p> <p>1998 Reform fixed the upper limit of contribution of AOW(18.25%), shortfall will be financed by tax (pensioners also pay)</p> <p>1998 Reform introduced AOW Saving Fund where a part of general tax revenue is contributed for investment until 2020, then returns from investment is expected to finance about 12% of pension expense in 2030</p>
	R E D I S T R I B U T I O N	Australia	<p>some specific allowances with means-test fully financed by general tax, such as housing allowance and care allowance</p>	<p><u>[Tax treatment on Super Annuation]</u>                      Employer's contribution: deductible as expense until \$50,000 a year, excess over this amount taxable with 31.5%, penalty applied for shortfall of contribution</p> <p>Returns from SA fund: taxable with 15% after fess</p> <p>Benefit: old-age special allowance applied if aged 65 and over (allowance \$2,230 up to taxable income of \$20,000, allowance reduced if income exceeds \$20,000 and until \$37,840 )</p> <p>Total tax expenditure estimated \$11.5 billions (2003-04)</p>

**Table 3-6 Ten OECD Countries' Approaches to Pension, Assistance and Taxation: Part4**

	Country	Public Assistance	Taxation	Characteristics
I N S U R A N C E  R E D U C I N G	Canada	<p><u>[Guaranteed Income Supplement (GIS),1967]</u>                      Coverage: 65 (recipients of OAS)                      Source: general tax                      Qualification: income test (maximum annual income \$15,240 )                      Benefit: single- max of \$634.02/month (\$2 of other income reduces \$1 of benefit, if a couple, OAS + GIS provides about 50% of average income  <u>[Spouse Allowance, 1975]</u>                      Coverage: spouse of OAS recipients aged 60-64                      Source: general tax                      Qualification: income test (maximum annual income \$28,176, age 18 and over, at least 10-years residence )                      Benefit: max \$921.00 (equal to the sum of OAS + GIS for a couple, \$4 of other income reduces benefit of \$3 )                      some states provides additional benefits with income test                      ordinary public assistance provided with means-test</p>	<p>Contribution: CPP- employer's contribution fully deductible, insured contributions- 17% deductible RRP,RRSP-DC- deductible up to 18% of salary with upper ceiling \$13,500 in 2001</p> <p>Benefit: OAS subject to taxation (recovery tax applied, when annual income exceeds \$63,511 (154% of average wage), the excess over that amount is taxed with the rate of 11.25%, when it exceeds \$103,191, all of OAS benefit is withdrawn), GIS &amp; Spouse Allowance not subject to taxation</p> <p>Age tax credit: when annual income is \$30,270 or less, the amount of \$5,066 × 15% deductible, when it is more than \$30,270 and less than \$64,043, the amount of excess over \$30,270 × 15% deductible, when it exceeds \$30,270, no deduction )</p>	<p>Replacement rate of combined OAS + CPP is about 40%, not so high in case of employed with average income</p> <p>Well-balanced old-age income security systems sharing risks between individual, employer and government (people with low-income rely on first and second tier, people with middle and higher income rely on third tier )</p> <p>Since 1990s, government implemented gradual and technical reforms called "stealth reform" to maintain sustainability of pension systems, and this means increase of public burden (stop of wage indexation applied to the calculation of minimum income subject to contribution, rate of wage reevaluation at the time of entitlement reduced etc )</p> <p>In 1989 claw-back system introduced, this income test applied to only 5% of pensioners</p> <p>Fragmentation among several benefits with income-test (total benefits depend on the weight of spouse's income, because GIS and spouse allowance are assessed by a unit of household )</p> <p>Since 1998 CPP is investing their reserves for stocks and others</p>
	New Zealand	<p>Housing Allowance with means-test</p>	<p>Benefit: for a single, after tax income \$554.12/two weeks compared with before tax income \$673.3, tax rate 17.7% (when public pension is not a major source of income, general income tax rate applies (19.5% up to annual income of \$38,000 )</p> <p>Surcharge tax from 1985-98                      incomes other than pension subject to tax with rate of 66% and some deduction, taxation applied until fully claw back of age pension (tax rate 48% in 1986, 33% in 1988) (in 1998 the ratio of those whose pension was cut due to this scheme was 16% )</p>	<p>One of a few countries which don't have public or private earnings-related pension, but in 2007 DC scheme of KiwiSaver was introduced to strengthen old-age income security through individual savings (earnings-related pension was introduced in 1974, but abolished in 1976, occupational pension not developed due to no favorable tax treatment</p> <p>At the time of introduction in 1898 age pension with means-test, but abolished in 1938 (income test was applied through surcharge tax from 1985-98 )</p> <p>In 2003 pension investment fund was introduced to equalize burden of public pension through saving a part of tax revenue (annual contribution 2% of GDP, after 2025 reserve will be withdrawn to finance pension benefits)</p>

**Table 3-6 Ten OECD Countries' Approaches to Pension, Assistance and Taxation: Part5**

	Country	Social Insurance	Universal Pension	Private Pension (mandatory or voluntary)
I N S U R A N C E	Canada	<p><u>[Canada Pension Plan(CPP), (DB/PAYG),1966]</u>                      Coverage: employed and self-employed (except casual employment with annual earnings less than \$3,500, province may opt out of CPP )                      Source: insured-4.95%, employer-4.95%, self-employed -9.9%                      ( minimum annual earnings \$3,500, maximum annual earnings \$43,700(nearly equal to average wage of manufacturing )                      Qualification: age 60 (minimum contribution periods 10 years )                      Benefit: earning-related(equal to 24% of average adjusted yearly covered earnings, 15% of the years with the lowest income disregarded, years in which the insured was caring for a child younger than age 7 may also be disregarded)</p>	<p><u>[Old-Age Security (OAS), (DB/PAYG),1952]</u>                      Coverage: all resident                      Source: general tax                      Qualification: age 65 (10 year residence after age 18, 40 year residence for full benefit )                      Benefit: \$502.31/month (about 15% of average wage, 1/40 reduction every one year non residency),                      *recovery tax applied for annum income exceeding \$63,511, if annual income exceeds \$103,191 no benefit)</p>	<p><u>[Occupation scheme(Registered Pension Plan: RPP), (DB/DC,pre-funding)]</u>                      about 40% of workers covered                       [Individual pension(Registered Retirement Savings Plans:RRSP), (DC/pre-funding)]</p>
	R E D I S T R I B U T I O N	New Zealand	/	<p><u>[NZ Superannuation, (DB/PAYG),1898]</u>                      Coverage: all resident                      Source: general tax                      Qualification: age 65 ( 10 years' residence after age 20, including 5 years after age 50 )                      Benefit: single- \$673.30/2weeks, before tax (65 ~ 72.5% of weekly wage for standard working hours), no means-test applied</p>



**Table 3-7 Ratio of Equivalised Disposable Incomes of People  
Aged 65 and Over to that of aged 18 to 64**

	<b>mid-1980s</b>	<b>mid-1990s</b>	<b>2000</b>
<b>Australia</b>	64.6	59.6	59.3
<b>Canada</b>	76.6	92.1	86.0
<b>France</b>	84.0	88.4	86.5
<b>Germany</b>	78.5	81.2	85.7
<b>Japan</b>	87.8	83.2	84.3
<b>Netherlands</b>	84.5	80.3	81.3
<b>New Zealand</b>	72.0	66.7	69.1
<b>Sweden</b>	77.0	80.8	73.0
<b>United Kingdom</b>	66.7	70.0	67.5
<b>United States</b>	85.3	81.7	79.3
<b>OECD average</b>	76.5	77.2	76.9

Source: OECD(2005), Society at A Glance 2005 edition

**Table 3-8 Gini Coefficients by Age of Household of Head in Japan**

Age	~ 29	30 ~ 39	40 ~ 49	50 ~ 59	60 ~ 69	70 ~ 79	80 ~
Gini	0.312	0.272	0.313	0.361	0.425	0.440	0.543

Source: Cabinet Office (2002), White Paper on the National Lifestyle Fiscal Year 2001

**Table 3-9 Disposable income of the population aged over by income decile**

(compared with population aged 18 to 64 in the same income decile Percentages, mid-90s \*)

	Canada	Finland	Germany	Italy	Japan	Netherlands	Sweden	United Kingdom	United States
<b>Decile1*2</b>	148	101	102	128	72	83	89	76	80
<b>Decile2</b>	107	83	90	92	73	77	84	69	78
<b>Decile3</b>	94	78	84	86	75	74	81	66	77
<b>Decile4</b>	87	75	82	81	77	72	80	64	78
<b>Decile5</b>	85	73	80	78	77	74	79	64	78
<b>Decile6</b>	86	72	79	76	78	77	79	65	81
<b>Decile7</b>	86	72	78	76	81	80	79	67	83
<b>Decile8</b>	86	72	79	77	84	82	83	72	94
<b>Decile9</b>	87	73	81	77	87	80	79	67	83
<b>Decile10</b>	96	75	79	75	94	82	83	72	94

\*) Disposable income of the retirement-age population in decile x divided by the disposable income of the working-age population in decile x.

\*2) Decile is based on each population income.

Source: OECD(2001), Ageing and Income: Financial Resources and Retirement in 9 OECD Countries

**Table 3-10 Poverty Rates**

		(%)
	65 and over	Total population
<b>Australia</b>	23.6	11.2
<b>Canada</b>	4.3	10.3
<b>France</b>	10.5	7.0
<b>Germany</b>	8.5	9.8
<b>Japan</b>	21.1	15.3
<b>Netherlands</b>	1.6	6.0
<b>New Zealand</b>	0.4	10.4
<b>Sweden</b>	7.8	5.3
<b>United Kingdom</b>	14.4	11.4
<b>United States</b>	24.6	17.1

Poverty rates is defined as the number of people who less than 50 per cent of the median disposable income of the entire population. Figures in 2000

Source: OECD(2005), Society at A Glance 2005 edition

**Table 3-11 Gross Replacement Rates by Earnings**

	Median earner	Individual earnings,multiple of mean				
		0.5	0.75	1	1.5	2
Australia	47.9	70.7	52.3	43.1	33.8	29.2
Canada	49.5	75.4	54.4	43.9	29.6	22.2
France	51.2	63.8	51.2	51.2	46.9	44.7
Germany	39.9	39.9	39.9	39.9	39.9	30.0
Japan	36.8	47.8	38.9	34.4	29.9	27.2
Netherlands	81.7	80.6	81.5	81.9	82.4	82.6
New Zealand	46.8	79.5	53.0	39.7	26.5	19.9
Sweden	63.7	79.1	66.6	62.1	64.7	66.3
United Kingdom	34.4	53.4	37.8	30.8	22.6	17.0
United States	43.6	55.2	45.8	41.2	36.5	32.1
OECD average	60.8	73.0	62.7	58.7	53.7	49.2

Source: OECD(2007) Pension at a Glance 2007

**Table 3-12 Net Replacement Rates by Earnings**

	Median earners	Individual earnings,multiple of mean				
		0.5	0.75	1	1.5	2
Australia	61.7	83.5	66.2	56.4	46.1	40.8
Canada	62.8	89.2	68.3	57.4	40.0	30.8
France	62.8	78.4	64.9	63.1	58.0	55.4
Germany	57.3	53.4	56.6	58.0	59.2	44.4
Japan	41.5	52.5	43.5	39.2	34.3	31.3
Netherlands	105.3	97.0	103.8	96.8	96.3	94.8
New Zealand	48.6	81.4	54.9	41.7	29.4	23.2
Sweden	66.2	81.4	69.2	64.0	71.9	73.9
United Kingdom	45.4	66.1	49.2	41.1	30.6	24.0
United States	55.3	67.4	58.0	52.4	47.9	43.2
OECD average	72.1	83.8	74.0	70.1	65.4	60.7

Source: OECD(2007) Pension at a Glance 2007



**Table 3-13 Pension Gini and Progressivity Index**

OECD average and national earning-distribution data					
	OECD average distribution		National earnings distribution		
	pension Gini	progressivity index	pension Gini	Progressivity index	Gini Wage
Australia	7.3	73.1	7.4	72.8	27.1
Canada	3.7	86.6			
France	20.5	24.6			
Germany	20.0	26.7	19.5	25.7	26.3
Japan	14.4	46.9	14.4	45.6	26.4
Netherlands	26.9	0.0	25.9	0.0	25.1
New Zealand	0.0	100.0			27.7
Sweden	23.7	12.9	20.7	10.2	22.7
United Kingdom	5.1	81.1	5.1	82.3	28.9
United States	16.1	40.9	16.1	51.0	32.7
OECD average	17.2	36.9			
OECD 18	17.0	37.5	17.0	37.1	26.9

Source: OECD(2007) Pension at a Glance 2007

**Table 3-14 Link between pre-retirement earnings and pension entitlements**

(Gross pension entitlement as a proportion of economy-wide average earnings)

	<b>0.50</b>	<b>0.75</b>	<b>1.00</b>	<b>1.25</b>	<b>1.50</b>	<b>1.75</b>	<b>2.00</b>
<b>Australia</b>	0.353663	0.39215	0.430638	0.469126	0.507613	0.546101	0.584589
<b>Canada</b>	0.376789	0.408039	0.439289	0.44428	0.44428	0.44428	0.44428
<b>France</b>	0.318897	0.384046	0.512061	0.608042	0.7033	0.798558	0.893816
<b>Germany</b>	0.199513	0.299269	0.399025	0.498781	0.598537	0.600783	0.600783
<b>Japan</b>	0.239173	0.291574	0.343974	0.396375	0.448776	0.501177	0.544486
<b>Netherlands</b>	0.402928	0.611053	0.819178	1.027303	1.235428	1.443553	1.651678
<b>New Zealand</b>	0.397412	0.397412	0.397412	0.397412	0.397412	0.397412	0.397412
<b>Sweden</b>	0.395633	0.49987	0.621157	0.793367	0.970684	1.148001	1.325318
<b>United Kingdom</b>	0.266797	0.283465	0.308285	0.339202	0.339202	0.339202	0.339202
<b>United States</b>	0.275999	0.343836	0.411674	0.479511	0.547349	0.610834	0.642633

Source: OECD(2007) Pension at a Glance 2007



**Table 3-8 Gini Coefficients by Age of Household of Head in Japan**

Age	~ 29	30 ~ 39	40 ~ 49	50 ~ 59	60 ~ 69	70 ~ 79	80 ~
Gini	0.312	0.272	0.313	0.361	0.425	0.440	0.543

Source: Cabinet Office (2002), White Paper on the National Lifestyle Fiscal Year 2001

**Table 3-9 Disposable income of the population aged over by income decile**

(compared with population aged 18 to 64 in the same income decile Percentages, mid-90s \*)

	Canada	Finland	Germany	Italy	Japan	Netherlands	Sweden	United Kingdom	United States
<b>Decile1*2</b>	148	101	102	128	72	83	89	76	80
<b>Decile2</b>	107	83	90	92	73	77	84	69	78
<b>Decile3</b>	94	78	84	86	75	74	81	66	77
<b>Decile4</b>	87	75	82	81	77	72	80	64	78
<b>Decile5</b>	85	73	80	78	77	74	79	64	78
<b>Decile6</b>	86	72	79	76	78	77	79	65	81
<b>Decile7</b>	86	72	78	76	81	80	79	67	83
<b>Decile8</b>	86	72	79	77	84	82	83	72	94
<b>Decile9</b>	87	73	81	77	87	80	79	67	83
<b>Decile10</b>	96	75	79	75	94	82	83	72	94

\*) Disposable income of the retirement-age population in decile x divided by the disposable income of the working-age population in decile x.

\*2) Decile is based on each population income.

Source: OECD(2001), Ageing and Income: Financial Resources and Retirement in 9 OECD Countries

**Table 3-10 Poverty Rates**

		(%)
	65 and over	Total population
<b>Australia</b>	23.6	11.2
<b>Canada</b>	4.3	10.3
<b>France</b>	10.5	7.0
<b>Germany</b>	8.5	9.8
<b>Japan</b>	21.1	15.3
<b>Netherlands</b>	1.6	6.0
<b>New Zealand</b>	0.4	10.4
<b>Sweden</b>	7.8	5.3
<b>United Kingdom</b>	14.4	11.4
<b>United States</b>	24.6	17.1

Poverty rates is defined as the number of people who less than 50 per cent of the median disposable income of the entire population. Figures in 2000

Source: OECD(2005), Society at A Glance 2005 edition

**Table 3-11 Gross Replacement Rates by Earnings**

	Median earner	Individual earnings,multiple of mean				
		0.5	0.75	1	1.5	2
Australia	47.9	70.7	52.3	43.1	33.8	29.2
Canada	49.5	75.4	54.4	43.9	29.6	22.2
France	51.2	63.8	51.2	51.2	46.9	44.7
Germany	39.9	39.9	39.9	39.9	39.9	30.0
Japan	36.8	47.8	38.9	34.4	29.9	27.2
Netherlands	81.7	80.6	81.5	81.9	82.4	82.6
New Zealand	46.8	79.5	53.0	39.7	26.5	19.9
Sweden	63.7	79.1	66.6	62.1	64.7	66.3
United Kingdom	34.4	53.4	37.8	30.8	22.6	17.0
United States	43.6	55.2	45.8	41.2	36.5	32.1
OECD average	60.8	73.0	62.7	58.7	53.7	49.2

Source: OECD(2007) Pension at a Glance 2007

**Table 3-12 Net Replacement Rates by Earnings**

	Median earners	Individual earnings,multiple of mean				
		0.5	0.75	1	1.5	2
Australia	61.7	83.5	66.2	56.4	46.1	40.8
Canada	62.8	89.2	68.3	57.4	40.0	30.8
France	62.8	78.4	64.9	63.1	58.0	55.4
Germany	57.3	53.4	56.6	58.0	59.2	44.4
Japan	41.5	52.5	43.5	39.2	34.3	31.3
Netherlands	105.3	97.0	103.8	96.8	96.3	94.8
New Zealand	48.6	81.4	54.9	41.7	29.4	23.2
Sweden	66.2	81.4	69.2	64.0	71.9	73.9
United Kingdom	45.4	66.1	49.2	41.1	30.6	24.0
United States	55.3	67.4	58.0	52.4	47.9	43.2
OECD average	72.1	83.8	74.0	70.1	65.4	60.7

Source: OECD(2007) Pension at a Glance 2007

**Table 3-13 Pension Gini and Progressivity Index**

OECD average and national earning-distribution data					
	OECD average distribution		National earnings distribution		
	pension Gini	progressivity index	pension Gini	Progressivity index	Gini Wage
Australia	7.3	73.1	7.4	72.8	27.1
Canada	3.7	86.6			
France	20.5	24.6			
Germany	20.0	26.7	19.5	25.7	26.3
Japan	14.4	46.9	14.4	45.6	26.4
Netherlands	26.9	0.0	25.9	0.0	25.1
New Zealand	0.0	100.0			27.7
Sweden	23.7	12.9	20.7	10.2	22.7
United Kingdom	5.1	81.1	5.1	82.3	28.9
United States	16.1	40.9	16.1	51.0	32.7
OECD average	17.2	36.9			
OECD 18	17.0	37.5	17.0	37.1	26.9

Source: OECD(2007) Pension at a Glance 2007

**Table 3-14 Link between pre-retirement earnings and pension entitlements**

(Gross pension entitlement as a proportion of economy-wide average earnings)

	<b>0.50</b>	<b>0.75</b>	<b>1.00</b>	<b>1.25</b>	<b>1.50</b>	<b>1.75</b>	<b>2.00</b>
<b>Australia</b>	0.353663	0.39215	0.430638	0.469126	0.507613	0.546101	0.584589
<b>Canada</b>	0.376789	0.408039	0.439289	0.44428	0.44428	0.44428	0.44428
<b>France</b>	0.318897	0.384046	0.512061	0.608042	0.7033	0.798558	0.893816
<b>Germany</b>	0.199513	0.299269	0.399025	0.498781	0.598537	0.600783	0.600783
<b>Japan</b>	0.239173	0.291574	0.343974	0.396375	0.448776	0.501177	0.544486
<b>Netherlands</b>	0.402928	0.611053	0.819178	1.027303	1.235428	1.443553	1.651678
<b>New Zealand</b>	0.397412	0.397412	0.397412	0.397412	0.397412	0.397412	0.397412
<b>Sweden</b>	0.395633	0.49987	0.621157	0.793367	0.970684	1.148001	1.325318
<b>United Kingdom</b>	0.266797	0.283465	0.308285	0.339202	0.339202	0.339202	0.339202
<b>United States</b>	0.275999	0.343836	0.411674	0.479511	0.547349	0.610834	0.642633

Source: OECD(2007) Pension at a Glance 2007

**Table 3-15 Income Tax and Social Contributions**

Income tax plus employee and employer social contributions  
(as % of labour costs), 2006

Country	Total tax wedge	Income tax	Social security contributions employee	Social security contributions employer	Labour costs
Australia	28.1	22.4	0.0	5.7	40,770
Canada	32.1	15.0	6.6	10.4	36,137
France	50.2	10.9	9.5	29.7	49,813
Germany	52.5	17.5	18.0	17.0	54,129
Japan	28.8	6.4	10.8	11.6	44,469
Netherlands	44.4	11.7	19.7	13.0	48,986
New Zealand	20.9	20.9	0.0	0.0	28,346
Sweden	47.9	18.2	5.3	24.4	46,396
United Kingdom	33.9	15.9	8.3	9.7	55,171
United States	28.9	14.6	7.1	7.3	35,045

Source: OECD (2007), Taxing Wages:2005/2006

Income tax plus employee social security contributions  
(as% of gross wage earnings), 2006

Country	Total payment	Income tax	Social security contributions	Gross wage earnings
Australia	23.7	23.7	0.0	38,462
Canada	24.2	16.8	7.4	32,363
France	29.1	15.6	13.6	35,015
Germany	42.7	21.1	21.7	44,920
Japan	19.5	7.3	12.2	39,310
Netherlands	36.1	13.4	22.7	42,596
New Zealand	20.9	20.9	0.0	28,346
Sweden	31.1	24.1	7.0	35,074
United Kingdom	26.8	17.6	9.2	49,835
United States	23.4	15.7	7.7	32,503

Source: OECD (2007), Taxing Wages:2005/2006

**Table 3-16 Approach for Integration among 10 OECD Countries**

<b>Safety net</b>	<b>Income smooth</b>	<b>Public, social insurance</b>	<b>Private, mandatory or voluntary</b>
<b>Public assistance</b>	<b>General</b>	Japan	
	<b>Specialized for the old</b>	Germany France	UK USA
<b>Universal pension</b>	<b>Minimum guaranteed</b>	Sweden <sup>1</sup>	
	<b>Basic flat</b>	Canada <sup>2</sup>	Australia <sup>3</sup> New Zealand <sup>4</sup> Netherlands <sup>4</sup>

- 1: The amount of minimum guaranteed is assessed by income from earnings-related pension
- 2: Guaranteed Income Supplement is provided as assistance with income-test adding to Basic
- 3: Basic pension is assessed with means-test
- 4: Basic pension is not assessed with any means-test



**Table 3-17 Structure of the pension package**

percentage contribution of components of the pension system  
to weighted average pension wealth

	First tier			Second tier			Total
	Resource tested	Basic	Minimum	Public	Private DB	Private DC	
Australia	45.8					54.2	100.0
Canada	16.5	34.5		49.0			100.0
France	1.3		1.9	96.8			100.0
Germany	1.1			98.9			100.0
Japan		40.2		59.8			100.0
Netherlands		38.2			61.8		100.0
New Zealand		100.0					100.0
Sweden			4.7	49.0	26.4	19.9	100.0
United Kingdom	0.5	50.8	33.8	15.0			100.0
United States				100.0			100.0

Source: OECD(2007) Pension at a Glance 2007

**Table 4-1 Number of Insured by Category in the Basic Pension**

	FY1994		FY1995		FY1996		FY1997		FY1998		FY1999		FY2000	
	Number	Ratio	Number	Ratio	Number	Ratio	Number	Ratio	Number	Ratio	Number	Ratio	Number	Ratio
National Pension (Category )	1,876	27.0	1,910	27.3	1,936	27.6	1,959	27.9	2,043	29.0	2,118	30.0	2,154	30.6
Employed Pension (Category )	3,321	47.7	3,328	47.6	3,346	47.7	3,347	47.6	3,296	46.8	3,248	46.0	3,219	45.7
Mutual Aid Association (Category )	538	7.7	537	7.7	536	7.6	534	7.6	530	7.5	527	7.5	523	7.4
National Pension (Category )	1,219	17.5	1,220	17.4	1,202	17.1	1,195	17.0	1,182	16.8	1,169	16.6	1,153	16.4
<b>Total number</b>	<b>6,955</b>	<b>100.0</b>	<b>6,995</b>	<b>100.0</b>	<b>7,020</b>	<b>100.0</b>	<b>7,034</b>	<b>100.0</b>	<b>7,050</b>	<b>100.0</b>	<b>7,062</b>	<b>100.0</b>	<b>7,049</b>	<b>100.0</b>

	FY2001		FY2002		FY2003		FY2004		FY2005		FY2006		1994	2004
	Number	Ratio	Number	Ratio	Number	Ratio	Number	Ratio	Number	Ratio	Number	Ratio		
National Pension (Category )	2,207	31.5	2,237	31.7	2,240	31.9	2,217	31.5	2,190	31.1	2,123	30.2	18.2	
Employed Pension (Category )	3,158	45.0	3,214	45.6	3,212	45.7	3,249	46.2	3,302	46.9	3,379	48.0	-2.2	
Mutual Aid Association (Category )	519	7.4	471	6.7	468	6.7	464	6.6	460	6.5	460	6.5	-13.8	
National Pension (Category )	1,133	16.1	1,124	16.0	1,109	15.8	1,099	15.6	1,092	15.5	1,079	15.3	-9.8	
<b>Total number</b>	<b>7,017</b>	<b>100.0</b>	<b>7,046</b>	<b>100.0</b>	<b>7,029</b>	<b>100.0</b>	<b>7,029</b>	<b>100.0</b>	<b>7,045</b>	<b>100.0</b>	<b>7,041</b>	<b>100.0</b>	<b>1.1</b>	

Figures are at the end of fiscal year.

Source: Social Insurance Agency (2007), Annual Report

**Table 4-2 Number of Permanent Employee and Non-Parmanent Employee**

	FY1994		FY1995		FY1996		FY1997		FY1998		FY1999		FY2000	
	Number	Ratio	Number	Ratio	Number	Ratio	Number	Ratio	Number	Ratio	Number	Ratio	Number	Ratio
<b>Permanent Employee</b>	3,805	74.0	3,779	73.1	3,800	72.6	3,812	71.3	3,794	71.1	3,688	69.9	3,630	68.9
<b>Non-Permanent Employee</b>	971	18.9	1,001	19.4	1,043	19.9	1,152	21.5	1,173	22.0	1,225	23.2	1,273	24.2
<b>Part-time Workers</b>	800	15.6	825	16.0	870	16.6	945	17.7	986	18.5	1,024	19.4	1,078	20.5
<b>Total Number</b>	5,139	100.0	5,169	100.0	5,237	100.0	5,349	100.0	5,338	100.0	5,277	100.0	5,267	100.0

(10 Thousands, %)

	FY2001		FY2002		FY2003		FY2004		FY2005		FY2006		1994	2004
	Number	Ratio	Number	Ratio	Number	Ratio	Number	Ratio	Number	Ratio	Number	Ratio		
<b>Permanent Employee</b>	3,640	68.1	3,489	65.4	3,444	64.5	3,410	63.5	3,374	62.4	3,411	62.2	-10.4	
<b>Non-Permanent Employee</b>	1,360	25.5	1,451	27.2	1,504	28.1	1,564	29.1	1,633	30.2	1,677	30.6	61.1	
<b>Part-time Workers</b>	1,152	21.6	1,053	19.7	1,089	20.4	1,096	20.4	1,120	20.7	1,125	20.5	37.0	
<b>Total Number</b>	5,342	100.0	5,337	100.0	5,343	100.0	5,372	100.0	5,407	100.0	5,481	100.0	4.5	

Figures are at the end of fiscal year.

Source: Social Insurance Agency (2007), Annual Report

**Table 4-3 Types of Employment in Insured by National Pension**

	1998		2001		2004	
	Number	Ratio	Number	Ratio	Number	Ratio
	Thousands	%	Thousands	%	Thousands	%
<b>Total Numbers</b>	19,319	100.0	21,186	100.0	21,839	100.0
<b>People in jobs</b>	12,292	63.6	13,850	65.4	16,233	74.3
<b>Self-employed</b>	5,223	27.0	5,111	24.1	6,262	28.7
<b>Employed</b>	5,673	29.4	7,125	33.6	7,989	36.6
<b>Full- Time</b>	3,873	20.0	4,451	21.0	2,985	13.7
<b>Non-Full Time</b>	1,800	9.3	2,674	12.6	5,004	22.9
<b>Others</b>	1,396	7.2	1,614	7.6	1,982	9.1
<b>Not in Jobs</b>	7,027	36.4	7,337	34.6	5,606	25.7

Source: Social Insurance Agency (2007,2001,1998) Survey on Insured by Public Pensions

**Table 4-4 Number of Insured by National Pension Who Don't Pay A Contribution**

(10 thousands)

	2000	2001	2002	2003	2004	2005	2006
<b>Total Number of Insured (Category )</b>	2,154	2,207	2,237	2,240	2,217	2,190	2,123
<b>Free of contribution</b>	370	524	400	439	458	538	528
<b>By law</b>	96	99	103	106	109	113	114
<b>By application</b>	274	277	144	165	176	216	207
<b>Students, special treatment</b>	135	148	154	168	173	176	170
<b>Students, postponent</b>						34	37
<b>Partially free of contribution</b>			34	38	41	53	56
<b>3/4 free</b>							26
<b>1/2 free</b>			34	38	41	53	21
<b>1/4 free</b>							8
<b>Voluntary contributed</b>		30	30	32	34	33	32
<b>Not pay</b>	312	329	364	445	424	374	322
<b>Out of enrollment</b>	75	64	54	45	36	27	18

Source: Social Insurance Agency (2007), Enrollment of National Pension FY2006

**Table 4-5 Distribution of Number of Insured Belonging to National Pension (Category 1) By Gross Taxable Income**

[Distribution by taxable income level]

(%)

Thousands Yen	No income	~ 500	500 ~ 1,000	1,000 ~ 1,500	1,500 ~ 2,000	2,000 ~ 2,500	2,500 3,000	3,000 ~ 3,500	3,500 ~ 4,000	4,000 ~ 4,500	4,500 ~ 5,000	5,000 ~	Average	Median
<b>Total</b>	34.4	16.0	10.8	10.5	8.4	5.8	3.6	2.8	1.7	1.2	0.9	3.8	1,260	470
<b>Contributor</b>	27.8	15.5	11.0	11.1	9.4	6.6	4.4	3.6	2.2	1.7	1.3	5.4	1,580	790
<b>Not contribute</b>	33.4	15.2	11.8	12.5	9.6	6.6	3.8	2.4	1.5	0.9	0.5	1.7	1,500	550

[Accumulated distribution by taxable income level]

Thousands Yen	No income	~ 500	500 ~ 1,000	1,000 ~ 1,500	1,500 ~ 2,000	2,000 ~ 2,500	2,500 3,000	3,000 ~ 3,500	3,500 ~ 4,000	4,000 ~ 4,500	4,500 ~ 5,000	5,000 ~
<b>Total</b>	34.4	50.4	61.2	71.7	80.1	85.9	89.5	92.3	94.0	95.2	96.1	99.9
<b>Contributor</b>	27.8	43.3	54.3	65.4	74.8	79.2	83.6	87.2	89.4	91.1	92.4	97.8
<b>Not contribute</b>	33.4	48.6	60.4	72.9	82.5	89.1	92.9	95.3	96.8	97.7	98.2	99.9

Notes: 1. "Contributor" means those who have paid a contribution to National Pension, "Not contribute" means otherwise

2. "Gross taxable income" means gross annual earnings minus expense, defined by local government income tax. Data are based on 2004 earnings.

Source: Social Insurance Agency, Survey on Insured of National Pension, 2005

**Table 4-6 Financing Basic Pension**

		National Pension	Emploed Pension	MAA Central	MAA Local	MAA School	Total
<b>[Estimate No.1] Contribution (100million yen)</b>	A	32,276	115,207	4,190	11,300	1,443	164,416
<b>Number of Insured (thousands)</b>	Category	11,701					11,701
	Category		31,031	1,049	3,035	406	35,521
	Category		10,735	471	1,062	117	12,385
	B Total	11,701	41,766	1,520	4,097	523	59,607
<b>Unit monthly contribution per insured (yen)</b>	C=A/B/12	22,987	22,987	22,971	22,984	22,992	22,986
<b>[Estimate No.2] Contribution (100million yen)</b>	A	32,276	115,207	4,190	11,300	1,443	164,416
<b>Subsidy from Tax</b>	T	11,348	40,505	1,473	3,973	507	57,806
<b>Contribution without subsidy</b>	A2=A-T	20,928	74,702	2,717	7,327	936	106,610
<b>Unit monthly contribution per insured (yen)</b>	C=A2/B/12	14,905	14,905	14,895	14,903	14,909	14,905
<b>[Estimate No.3] Contribution without subsidy</b>	A2=A-T	not yet	not yet	not yet	not yet	not yet	106,610
<b>Number of Insured (thousands)</b>	Category	21,903					21,903
	Category		32,368	1,094	3,166	423	37,052
	Category		9,467	415	937	103	10,922
	B3 Total	21,903	41,835	1,510	4,102	527	69,877
<b>Unit monthly contribution per insured (yen)</b>	C3=A2/B3/12	12,714	12,714	12,714	12,714	12,714	12,714
<b>Contribution to pay(100 million yen)</b>	D=B3*C3*12	33,417	63,827	2,303	6,259	804	106,610
<b>[Estimate No.4] Contribution without subsidy</b>	A2	20,928	74,702	2,717	7,327	936	106,610
<b>Number of Insured (thousands)</b>	Category	11,701					11,701
	Category		32,368	1,094	3,166	423	37,052
	B4 Total	11,701	32,368	1,094	3,166	423	48,753
<b>Unit monthly contribution per insured (yen)</b>	C4=A2/B4/12	14,905	19,232	20,691	19,287	18,411	18,223
<b>[Estimate No.5] Contribution to pay(100 million yen)</b>	D	33,417	63,827	2,303	6,259	804	106,610
<b>Unit monthly contribution per insured (yen)</b>	C5=D/B4/12	23,799	16,433	17,540	16,475	15,812	18,223

MAA: Mutual Aid Association

Source: Estimates by the author based on MHLW(2007) Financial Report

**Table 4-7 The Number of Households Who Received Public Assistance**

	Total number of households assisted		Household: old		Household: disabled		Household: others		Household: mother and child		General household	Household: old	
	Number	Ratio	Number	Ratio	Number	Ratio	Number	Ratio	Number	Ratio	Number	Number	Ratio
	one unit	%	one unit	%	one unit	%	one unit	%	one unit	%	Thousands	Thousands	%
1980	746,997	30.2	225,341	30.2	342,777	45.9	80,986	10.8	95,620	12.8	35,338	1,684	4.8
1981	756,726	30.1	228,055	30.1	346,992	45.9	79,438	10.5	100,116	13.2	36,121	1,779	4.9
1982	770,388	30.2	232,684	30.2	351,866	45.7	77,757	10.1	106,150	13.8	36,248	1,851	5.1
1983	782,265	30.3	237,067	30.3	355,565	45.5	76,517	9.8	111,177	14.2	36,497	1,949	5.3
1984	789,602	30.6	241,964	30.6	355,251	45.0	75,278	9.5	115,265	14.6	37,338	2,100	5.6
1985	780,507	31.2	243,259	31.2	348,881	44.7	72,678	9.3	113,979	14.6	37,226	2,192	5.9
1986	746,355	32.2	239,985	32.2	327,836	43.9	68,185	9.1	108,108	14.5	37,544	2,362	6.3
1987	713,825	33.2	236,685	33.2	310,769	43.5	63,779	8.9	101,069	14.2	38,064	2,517	6.6
1988	681,018	34.4	234,017	34.4	294,736	43.3	59,453	8.7	91,304	13.4	39,028	2,704	6.9
1989	654,915	35.6	233,370	35.6	282,417	43.1	55,230	8.4	82,396	12.6	39,417	3,057	7.8
1990	623,755	37.1	231,609	37.1	267,091	42.8	50,637	8.1	72,899	11.7	40,273	3,113	7.7
1991	600,697	38.7	232,311	38.7	255,961	42.6	46,717	7.8	64,494	10.7	40,506	3,592	8.9
1992	585,972	40.1	235,119	40.1	248,038	42.3	43,818	7.5	57,847	9.9	4,121	3,688	8.9
1993	586,106	41.1	240,690	41.1	247,362	42.2	42,338	7.2	54,697	9.3	41,826	3,913	9.4
1994	595,407	41.7	248,419	41.7	250,158	42.0	42,266	7.1	53,597	9.0	42,069	4,252	10.1
1995	601,925	42.2	254,292	42.2	252,688	42.0	41,627	6.9	52,373	8.7	40,770	4,390	10.8
1996	613,106	43.2	264,626	43.2	254,449	41.5	41,434	6.8	51,671	8.4	43,807	4,866	11.1
1997	631,488	43.9	277,409	43.9	258,558	40.9	42,404	6.7	52,206	8.3	44,669	5,159	11.5
1998	663,060	44.4	294,680	44.4	267,582	40.4	45,329	6.8	54,503	8.2	44,496	5,614	12.6
1999	704,055	44.9	315,933	44.9	278,520	39.6	50,184	7.1	58,435	8.3	44,923	5,791	12.9
2000	751,303	45.4	341,196	45.4	290,620	38.7	55,240	7.4	63,126	8.4	45,545	6,261	13.7
2001	805,169	46.0	370,049	46.0	303,554	37.7	61,930	7.7	68,460	8.5	45,664	6,654	14.6
2002	870,931	46.3	402,835	46.3	319,301	36.7	72,403	8.3	75,097	8.6	46,005	7,182	15.6
2003	941,270	46.3	435,804	46.3	336,772	35.8	84,941	9.0	82,216	8.7	45,800	7,250	15.8
2004	998,887	46.6	465,680	46.6	349,844	35.0	94,148	9.4	87,478	8.8	46,323	7,874	17.0
2005	1,041,508	43.4	451,962	43.4	389,818	37.4	107,259	10.3	90,531	8.7	47,043	8,349	17.7

Source: Ministry of Health, Labour and Welfare(2005), Report on Social Welfare Administration 2005



**Table 4-8 Ratio of Recipients of Public Assistance by Age**

Year	Total	0-14 year old	15-59 years old	60- years old
<b>Number of recipients of public assistane (%)</b>				
1995	100.0	13.0	43.0	44.0
2000	100.0	12.5	40.0	47.6
2004	100.0	12.8	38.0	49.3
2005	100.0	12.6	37.6	49.8
<b>General population (%)</b>				
1995	100.0	16.0	63.5	20.5
2000	100.0	14.6	61.8	23.6
2004	100.0	13.9	59.9	26.3
2005	100.0	13.6	58.4	27.9
<b>Ratio of recipients to population(‰)</b>				
1995	6.82	5.55	4.62	14.63
2000	8.13	6.96	5.23	16.57
2004	10.78	9.91	6.84	20.21
2005	11.22	10.36	7.23	20.05

Notes:figures at 1st of July in each year

Source:Ministry of Health,Labour and Welfare,Report of National Survey on Public Assistance,each year

**Table 4-9 Number of Recipients Aged 65 and Over who Are Not Paid Any Pension**

	Total recipients	Recipients aged 65+ (A)	Received pension (B)	Ratio (B/A)	Average pension benefit	Received no pension (C)	Ratio (C/A)
	person	person	person	%	yen/month	person	%
<b>1998</b>	946,994	319,820	172,940	54.1	44,212	146,880	45.9
<b>1999</b>	1,004,472	350,450	178,470	50.9	44,885	171,980	49.1
<b>2000</b>	1,072,241	372,340	186,770	50.2	45,601	185,570	49.8
<b>2001</b>	1,148,088	411,200	201,800	49.1	45,521	209,400	50.9
<b>2002</b>	1,242,723	449,250	216,380	48.2	45,672	232,870	51.8
<b>2003</b>	1,344,327	491,680	232,280	47.2	45,847	259,400	52.8
<b>2004</b>	1,423,388	527,310	248,920	47.2	45,758	278,390	52.8
<b>2005</b>	1,475,838	556,380	262,320	47.1	45,918	294,060	52.9

Recipients: those who receive public assistance

Source: Ministry of Health, Labour and Welfare, "Fukushi gyosei houkokurei" (Welfare Administration Report)  
(data from national survey done on July 1st every year)

**Table 4-10 Monthly Pension Benefits on Average**

(Japanese Yen)

	National Pension (old-age)		Employed Pension (old-age)		
		Newly decided		with Basic	without Basic
<b>2001</b>	51,684 (45,431)	53,515 (53,731)	174,839	178,685	98,021
<b>2002</b>	52,291 (46,073)	53,809 (54,124)	173,565	177,119	101,282
<b>2003</b>	52,314 (46,246)	52,600 (52,962)	171,365	174,663	100,869
<b>2004</b>	52,565 (46,638)	53,080 (53,591)	167,529	172,501	98,286
<b>2005</b>	53,012 (47,210)	54,088 (54,731)	167,172	171,688	97,212

Notes: 1. Figures in parentheses regarding National Pension are the amount of benefit for those who don't have Employed Pension.

2. "Basic" means Basic Pension which is a fixed amount portion of Employed Pension.

Source: Social Insurance Agency (2007), Report of Social Insurance Activity FY2005

**Table 4-11 Income Distribution by Household Types**

(Relative frequency distribution of household)

Income level (thousands yen)	All households	Standard household	Specifics		
			Old age	Mother & child	with children
	%	%	%	%	%
Total	100	100	100	100	100
less than 500	1.4 -		3.5	1.2	0.1
500 - 1,000	4.6 -		12.2	14	0.8
1,000 - 1,500	5.9 -		12.8	23.3	1.7
1,500 - 2,000	6.9	0.2	14.3	17.4	1.9
2,000 - 2,500	6.2	1	9.5	16.3	3
2,500 - 3,000	5.6	0.6	9	9.3	2.6
3,000 - 3,500	6.7	2.7	8.9	5.8	4.5
3,500 - 4,000	5.9	2.7	8	3.5	4.9
4,000 - 4,500	5.6	7.3	5.6	1.2	5.8
4,500 - 5,000	5.2	9.4	3	3.5	6.7
5,000 - 5,500	5	9.4	2.7	1.2	6.6
5,500 - 6,000	4.6	11	1.7	2.3	7.3
6,000 - 6,500	4.3	8.1	1.3 -		6.3
6,500 - 7,000	3.9	9.6	1.3 -		6.7
7,000 - 7,500	3.3	6	0.9 -		4.8
7,500 - 8,000	2.6	5.8	0.6 -		4.6
8,000 - 8,500	3	4.4	0.8 -		4.8
8,500 - 9,000	2.2	3.1	0.5 -		3.4
9,000 - 9,500	2.2	3.5	0.5 -		3.2
9,500 - 10,000	1.8	2.9	0.2	1.2	3
10,000 - 11,000	3.3	4.8	0.8 -		4.3
11,000 - 12,000	2.1	2.1	0.4 -		3.3
12,000 - 15,000	3.5	2.9	0.7 -		4.6
15,000 - 20,000	2.7	1.7	0.5 -		3.3
20,000 +	1.2	0.6	0.2 -		1.6
Average income per household (10 thousands yen)	563.8	697.7	301.9	211.9	718
Average income per person (10 thousands yen)	205.9	174.4	189	81.3	165.7
Mediun (10 thousands)	458	626	240	180	630
Ratio of household which income is below the average (%)	60.7	61.9	62	64	61.5

Standard household: couple with two children who are less than 18 years old and not married  
 Souce: Minitstyr of Health, Labour and Welfare, "Kokumin Seikatsu Kiso Chosa 2006"  
 (Survey on People's Life)

**Table 4-12 Source of Income by Household types and Income Level**

Household types	Income quintile	Total numbers	Employment income	Business income	Farming income	income in family	Property income	Pension	Employment insurance	Other Social benefit	Transfer from others	Private pension	Other income
<b>Total household</b>		6227	3626	437	83	8	77	1739	14	81	107	23	32
		1245	280	62	14	4	9	687	9	75	83	7	15
		1246	501	98	21	1	11	584	5	6	12	2	5
		1245	775	94	23	1	14	324 -	-	-	8	1	5
		1246	990	97	17	1	11	121 -	-	-	2	5	2
		1245	1080	86	8	1	32	23 -	-	-	2	8	5
<b>Old age household</b>		1300	64	29	17	3	30	1114 -	-	20	4	11	8
		567	7	6	5	2	4	515 -	-	20	3	3	2
		389	9	4	7	1	8	358 -	-	-	-	1	1
		213	10	5	1 -	-	5	187 -	-	-	1	1	3
		76	14	4	4 -	-	4	46 -	-	-	-	3	1
		55	24	10 -	-	-	9	8 -	-	-	-	3	1

Source: Ministry of Health, Labour and Welfare, "Kokumin Seikatsu Kiso Chosa 2006" (Survey on People's Life)

**Table 4-13 Income Redistribution by Age (Equivalised)**

Age in household	Original market income A 10 thousands yen	Gross income B	Net income C=A+F-D-E	Redistribution coefficient (C - A) / A (%)	Payable		Benefits F	Effective tax rate G=D/B (%)	Effective contribution rate H=E/B (%)	Total burden I=G+H (%)
					Tax D	Social Insurance contribution E				
<b>Total</b>	305.0	364.1	348.7	14.3	29.0	34.2	106.8	8.0	9.4	17.4
0 ~ 4	297.4	310.6	294.5	-1.0	21.5	32.3	50.5	6.9	10.4	17.3
5 ~ 9	310.1	328.2	302.1	-2.6	24.8	32.8	49.3	7.6	10.0	17.6
10 ~ 14	322.4	346.2	309.8	-3.9	26.4	34.5	48.0	7.6	10.0	17.6
15 ~ 19	348.7	374.6	335.4	-3.8	30.8	35.7	53.0	8.2	9.5	17.8
20 ~ 24	353.4	373.4	337.0	-4.6	28.3	37.3	48.9	7.6	10.0	17.6
25 ~ 29	371.1	395.1	356.5	-4.0	32.9	40.1	58.2	8.3	10.1	18.5
30 ~ 34	325.0	353.5	323.2	-0.5	27.5	35.2	60.8	7.8	10.0	17.7
35 ~ 39	319.6	355.1	327.6	2.5	27.1	34.7	69.6	7.6	9.8	17.4
40 ~ 44	352.1	382.2	341.4	-3.0	30.7	37.6	57.3	8.0	9.8	17.9
45 ~ 49	387.5	421.2	377.6	-2.6	35.7	42.7	68.2	8.5	10.1	18.6
50 ~ 54	429.7	456.0	410.7	-4.4	43.1	46.0	69.9	9.5	10.1	19.5
55 ~ 59	402.7	433.8	389.7	-3.2	42.2	44.3	73.2	9.7	10.2	19.9
60 ~ 64	252.7	350.2	341.5	35.1	29.2	29.6	147.5	8.3	8.5	16.8
65 ~ 69	183.0	322.5	334.7	82.9	21.5	24.1	197.3	6.7	7.5	14.1
70 ~ 74	143.1	297.2	330.7	131.1	17.8	21.0	226.5	6.0	7.1	13.1
75+	191.1	313.4	375.6	96.6	21.5	25.1	231.1	6.9	8.0	14.9

All data are equivalised, Effective tax and contribution rates are author's calculation

Source: Ministry of Health, Labour and Welfare, "Shotoku Saibunpai Chosa Houkoku 2005" (Income Redistribution Report 2005)

**Table4-14. Summary of income distribution and relative poverty**  
Indicators in 2000

	Working-age population		Elderly population		Total population	
	Japan	OECD average	Japan	OECD average	Japan	OECD average
<b>Market-income inequality<sup>1</sup></b>						
Level	36.2	39.3	62.9	65.1	41.0	44.3
Rank	12 <sup>th</sup>	14countries	7 <sup>th</sup>	14countries	11 <sup>th</sup>	14countries
Change in % <sup>3</sup>	17.0	11.1	32.9	1.9	29.3	10.5
Change in level <sup>4</sup>	5.2	3.9	15.6	1.2	9.4	4.3
<b>Disposable income inequality<sup>1</sup></b>						
Level	31.0	28.8	33.8	27.0	31.4	30.7
Rank	5 <sup>th</sup>	14countries	2 <sup>nd</sup>	14countries	8 <sup>th</sup>	23countries
Change in % <sup>3</sup>	12.2	10.1	-0.8	1.1	12.9	7.3
Change in level <sup>4</sup>	3.4	2.6	-0.2	0.3	3.6	2.1
<b>Relative poverty<sup>2</sup></b>						
Level	13.5	8.4	21.1	13.9	15.3	10.3
Rank	2 <sup>nd</sup>	17countries	7 <sup>th</sup>	24countries	5 <sup>th</sup>	26countries
Change in % <sup>3</sup>	13.7	8.4	-8.3	-5.7	28.6	11.5
Change in level <sup>4</sup>	1.6	0.6	-1.9	-0.8	3.4	1.1

1.As measured by the Gini coefficient /100.

2.Percentage of population with an income below one-half of the median.

3.Mid-1980s to 2000.

4.changes in percentage points between mid-1980s and 2000.

Source: Jones(2007)

**Table 4-15 Taxes Paid by Pensioners and Workers**

Average effective tax rate including personal income tax and social security contributions

## 1. Income of half of earnings of average production worker

	Pensioner			Worker		
	Total	Income tax	Social security	Total	Income tax	Social security
Canada	0.0	0.0	0.0	18.9	13.6	5.3
Finland	22.8	19.3	3.5	23.3	16.0	7.2
Germany	7.6	0.0	7.7	30.0	9.3	20.8
Italy	15.4	15.4	0.0	22.1	13.0	9.2
Japan	0.2	0.2	0.0	14.3	4.3	10.0
Netherlands	10.9	3.0	7.9	26.6	4.2	22.3
Sweden	17.5	17.5	0.0	29.4	22.4	7.0
United Kingdom	6.0	6.0	0.0	15.7	9.6	6.1
United States	5.6	5.6	0.0	21.8	14.1	7.7

## 2. Income of three-quarters of earnings of average production worker

	Pensioner			Worker		
	Total	Income tax	Social security	Total	Income tax	Social security
Canada	0.0	0.0	0.0	22.7	17.1	5.6
Finland	30.1	26.2	3.9	29.3	22.0	7.3
Germany	7.9	0.3	7.7	37.8	17.1	20.8
Italy	19.3	19.3	0.0	26.0	16.8	9.2
Japan	2.0	2.0	0.0	15.3	5.3	10.0
Netherlands	15.6	4.4	11.2	32.5	5.3	27.2
Sweden	27.8	27.8	0.0	32.6	25.7	7.0
United Kingdom	11.7	11.7	0.0	21.5	14.1	7.4
United States	9.6	9.6	0.0	24.5	16.8	7.7

## 3. Income of earnings of average production worker

	Pensioner			Worker		
	Total	Income tax	Social security	Total	Income tax	Social security
Canada	11.6	11.6	0.0	26.5	20.8	5.7
Finland	34.2	30.3	3.9	33.7	26.3	7.4
Germany	14.7	7.0	7.7	41.9	21.2	20.8
Italy	23.1	23.1	0.0	29.1	20.0	9.2
Japan	4.0	4.0	0.0	16.0	6.0	10.0
Netherlands	19.1	5.7	13.4	35.4	6.3	29.1
Sweden	29.3	29.3	0.0	34.2	27.2	7.0
United Kingdom	15.1	15.1	0.0	24.4	16.3	8.1
United States	10.9	10.9	0.0	25.8	18.2	7.7

## 4. Income of twice earnings of average production worker

	Pensioner			Worker		
	Total	Income tax	Social security	Total	Income tax	Social security
Canada	31.5	31.5	0.0	33.9	30.8	3.1
Finland	43.0	39.1	3.9	43.1	35.7	7.4
Germany	26.2	21.4	4.8	47.7	31.9	15.8
Italy	30.6	30.6	0.0	36.1	26.9	9.2
Japan	10.8	10.8	0.0	21.2	11.2	10.0
Netherlands	32.7	25.8	6.9	40.9	26.2	14.7
Sweden	40.5	40.5	0.0	42.6	37.9	4.7
United Kingdom	21.2	21.2	0.0	27.5	21.2	6.3
United States	18.6	18.6	0.0	33.8	26.1	7.7

Source: Keeney and Whitehouse (2003)



Table 4-16 Income Redistribution by Age (household)

Age of head of household		Total	-29	30 ~ 34	35 ~ 39	40 ~ 44	45 ~ 49	50 ~ 54	55 ~ 59	60 ~ 64	65 ~ 69	70 ~ 74	75+
Number of household		5,698	258	252	343	384	448	560	690	642	627	601	891
Number of person per household		2.78	1.75	2.86	3.22	3.57	3.62	3.28	2.99	2.59	2.54	2.36	2.25
Number of person working		1.39	0.95	1.34	1.42	1.59	1.81	2.07	1.97	1.53	1.16	0.84	0.73
Original market income	A 10 thousands	465.8	274.7	506.2	560.1	676.6	732.3	738.8	730.2	434.3	305.7	183.8	198.1
Gross income	B=A+I 10 thousands	569.8	279.5	515.3	575.4	695.2	766.8	774.6	759.2	554.1	509.2	407.6	402.9
Disposable income	C=B-E 10 thousands	472.2	242.0	429.6	474.4	568.5	624.8	628.1	605.4	457.6	435.1	354.5	347.5
Net income	D=C+J 10 thousands	549.5	259.0	463.9	516.4	610.0	672.2	703.9	673.4	528.0	518.2	445.4	498.6
Redistribution coefficient	$\frac{D-A}{A}$ (%)	18.0	-5.7	-8.4	-7.8	-9.9	-8.2	-4.7	-7.8	21.6	69.5	142.3	151.7
Total tax and contribution	E 10 thousands	97.6	37.5	85.7	101.0	126.7	142.0	146.5	153.8	96.5	74.1	53.1	55.3
(Effective rate)	(E/B) (%)	17.1	13.4	16.6	17.6	18.2	18.5	18.9	20.3	17.4	14.6	13.0	13.7
Tax	F 10 thousands	45.4	12.7	33.6	43.2	56.8	65.4	67.8	76.1	47.3	35.0	24.1	26.5
(Effective tax rate)	(F/B) (%)	8.0	4.5	6.5	7.5	8.2	8.5	8.8	10.0	8.5	6.9	5.9	6.6
Social security contribution	G 10 thousands	52.2	24.8	52.0	57.8	69.9	76.6	78.7	77.8	49.2	39.1	29.0	28.8
(Effective tax rate)	(G/B) (%)	9.2	8.9	10.1	10.0	10.1	10.0	10.2	10.2	8.9	7.7	7.1	7.1
Pension	10 thousands	24.3	14.7	29.5	33.3	37.9	40.8	41.8	41.6	20.9	10.7	6.4	7.9
Health care	10 thousands	22.1	8.8	19.7	21.2	25.9	28.6	29.6	29.0	23.7	22.0	16.2	14.8
Old-age care and others	10 thousands	5.8	1.3	2.8	3.4	6.2	7.2	7.4	7.2	4.6	6.3	6.4	6.1
Benefit total	H 10 thousands	181.4	21.9	43.4	57.4	60.0	81.9	111.6	97.0	190.1	286.6	314.7	355.8
Cash benefit	I 10 thousands	104.0	4.8	9.0	15.4	18.6	34.6	35.8	29.0	119.7	203.5	223.8	204.8
Pension	10 thousands	99.2	0.9	4.7	9.0	14.3	29.5	31.9	23.9	111.1	199.8	218.5	201.9
Benefit in kind	J 10 thousands	77.3	17.1	34.3	42.0	41.4	47.4	75.8	68.0	70.4	83.1	90.9	151.1
Health care	10 thousands	62.2	10.6	18.8	25.4	34.7	40.7	60.8	51.8	57.2	67.4	77.8	124.5
Old-age care	10 thousands	12.2	0.5	0.3	3.6	0.1	5.7	15.0	15.5	11.4	13.4	12.3	26.4
Gini for original market income		0.5263	0.3725	0.3148	0.2973	0.3063	0.3283	0.3540	0.3908	0.5185	0.6411	0.7392	0.7793
Gini for net income		0.3873	0.3658	0.3005	0.2924	0.2995	0.3204	0.3413	0.3683	0.3902	0.3963	0.3944	0.4466
Improvement by redistribution (%)		26.4	1.8	4.5	1.6	2.2	2.4	3.6	5.8	24.7	38.2	46.6	42.7

Effective tax and contribution rate are author's calculation

Source: Ministry of Health, Labour and Welfare, "Shotoku Saibunpai Chosa Houkoku 2005" (Income Redistribution Report 2005)

**Table 4-17 Average Income, Tax and Social Insurance Contribution by Age**

Age of head of household	Average income per household	Average disposable income per household	Average income per person (equivalised)	Average disposable income per person (equivalised)	Average income per earner	Average person per household	Average number of earner
	ten thousands	ten thousands	ten thousands	ten thousands	ten thousands		
Total	563.8	448.5	205.9	168.8	320.6	2.74	1.36
-29	306.4	259.1	169.1	145.1	284.9	1.81	0.97
30-39	549.9	451.7	187.7	153.9	388.9	2.93	1.37
40-49	699.8	568.2	197.6	162.4	400.9	3.54	1.66
50-59	734.6	567.2	245.6	195.1	352	2.99	1.95
60-69	529.9	435.6	208.7	176.6	241.5	2.54	1.35
70+	428.8	338.3	183.8	152.3	215.1	2.33	0.78
(65+)	442.2	355.5	185.7	155.6	209.7	2.38	0.89

Age of head of household	Average income per household	Tax and contributions	Effective rate	Social insurance contributions	Effective contribution rate	Personal income tax	Effective rate	Contributions for private insurance
	A	B	B/A	C	D=C/A	E	F=E/A	
Total	563.8	96.6	17.1	53.2	9.4	32.6	5.8	26.7
-29	306.4	55.6	18.1	36.9	12.0	15.3	5.0	10.8
30-39	549.9	91.7	16.7	56	10.2	23.9	4.3	18.1
40-49	699.8	128.3	18.3	72.5	10.4	35.6	5.1	25.4
50-59	734.6	143.1	19.5	76.5	10.4	43.4	5.9	30.9
60-69	529.9	88.2	16.6	44.7	8.4	30.4	5.7	29.9
70-79	455	61.6	13.5	32.6	7.2	29	6.4	26.3
80+	363.9	47.9	13.2	27	7.4	28.7	7.9	30.5
(65+)	442.2	61	13.8	32.7	7.4	26.7	6.0	27.6

Effective rate are author's calculation

Source: Ministry of Health, Labour and Welfare, "Kokumin Seikatsu Kiso Chosa 2006" (Survey on People's Life)

**Table 4-18 Employment Income Allowance and Pension Income Allowance in Personal Income Tax**

<b>Gross earnings</b>		threshold*	650	700	1,000	1,200	1,700	2,000	3,000	4,000	5,000	6,000	7,000	8,000	9,000	10,000	11,000	12,000	15,000	20,000
<b>Employment income allowance</b>	A	1,181	650	650	650	650	680	780	1,080	1,340	1,540	1,740	1,900	2,000	2,100	2,200	2,250	2,300	2,450	2,700
<b>Pension income allowance for aged 60</b>	B	1,180	650	700	700	700	800	875	1,125	1,375	1,535	1,685	1,835	1,955	2,005	2,055	2,105	2,155	2,305	2,555
<b>Pension income allowance for aged 65</b>	C	1,680	650	700	1,000	1,200	1,200	1,200	1,200	1,375	1,535	1,685	1,835	1,955	2,005	2,055	2,105	2,155	2,305	2,555
<b>Differential</b>	B-A		0	50	50	50	120	95	45	35	-5	-55	-65	-45	-95	-145	-145	-145	-145	-145
<b>Differential</b>	C-A		0	50	350	550	520	420	120	35	-5	-55	-65	-45	-95	-145	-145	-145	-145	-145

Figures based on rates for FY2007

Threshold\*: the lowest earnings for tax payable obtained by reducing minimum allowances from gross earnings

**Table 4-19 Effective Tax and Social Security Contribution Rates between Workers and Pensioners**

Gross earnings : wage or pension (thousands)	1,176	1,181	1,258	1,680	2,000	2,885	3,000	4,000	4,517	5,000	6,000	6,797	7,000	7,440	8,000	9,000	10,000	11,000	12,000	13,000	13,322	14,000	14,520	
<b>[Average rates] (%)</b>																								
<b>Case [aged at 40]</b>																								
Income tax	0.7	0.8	1.5	4.2	4.8	6.0	6.1	6.6	7.4	8.0	8.9	10.0	10.4	11.2	12.2	13.6	14.8	16.0	17.1	18.1	18.6	19.6	20.2	
Social contribution	12.8	12.8	12.8	12.8	12.8	12.8	12.8	12.8	12.8	12.8	12.8	12.8	12.8	12.8	12.3	11.5	10.9	10.4	10.0	9.6	9.5	9.3	9.2	
Total burden	13.5	13.6	14.3	17.0	17.6	18.8	18.9	19.4	20.2	20.8	21.7	22.8	23.2	24.0	24.4	25.1	25.7	26.4	27.1	27.7	28.1	28.9	29.4	
<b>Case [aged at 60]</b>																								
Income tax	0.3	0.3	0.6	1.4	4.7	6.3	6.5	7.3	8.1	8.8	10.0	11.5	11.9	12.7	13.7	15.4	16.7	18.0	19.1	20.7	21.2	22.1	22.8	
Social contribution	8.5	8.5	7.9	5.9	8.8	8.7	8.6	8.8	8.9	8.9	9.0	8.9	8.8	8.2	7.7	6.8	6.1	5.6	5.1	4.7	4.6	4.4	4.2	
Total burden	8.8	8.8	8.6	7.4	13.5	15.0	15.1	16.1	17.0	17.7	19.0	20.4	20.7	21.0	21.4	22.2	22.8	23.6	24.2	25.4	25.8	26.5	27.0	
<b>Case [aged at 65]</b>																								
Income tax	0.3	0.3	0.3	0.2	2.5	5.9	6.1	7.3	8.1	8.8	10.0	11.5	11.9	12.7	13.7	15.4	16.7	18.0	19.1	20.7	21.2	22.1	22.8	
Social contribution	8.5	8.5	7.9	5.9	7.0	8.3	8.4	8.8	8.9	8.9	9.0	8.9	8.8	8.2	7.7	6.8	6.1	5.6	5.1	4.7	4.6	4.4	4.2	
Total burden	8.8	8.8	8.3	6.2	9.6	14.1	14.5	16.1	17.0	17.7	19.0	20.4	20.7	21.0	21.4	22.2	22.8	23.6	24.2	25.4	25.8	26.5	27.0	
<b>Case * [60]</b>																								
Income tax	0.3	0.3	0.3	1.1	1.4	4.2	4.4	5.3	5.3	5.4	3.1	3.7	4.0	4.5	5.1	5.5	5.1	12.9	11.0	8.4	8.4	8.3	8.5	
Social contribution	8.5	8.5	7.9	5.9	5.0	6.6	6.7	7.4	5.2	5.7	6.7	7.2	7.1	7.2	7.4	7.5	7.7	7.8	8.0	7.9	7.8	7.6	7.4	
Pension reduction	0.0	0.0	0.0	0.0	0.0	0.0	0.0	12.5	15.0	17.5	22.5	25.0	25.0	25.5	26.0	27.0	28.0	7.8	14.0	19.5	21.1	24.6	26.0	
Total burden	8.8	8.8	8.3	7.0	6.4	10.8	11.1	25.1	25.5	28.6	32.3	35.8	36.1	37.2	38.5	40.0	40.8	28.6	33.0	35.7	37.2	40.4	41.9	
<b>Case * [65]</b>																								
Income tax	0.3	0.3	0.3	0.2	0.5	3.2	3.6	6.3	7.4	8.0	7.8	7.9	8.1	8.4	8.7	9.2	8.6	9.0	9.5	6.8	7.2	8.5	9.2	
Social contribution	8.5	8.5	7.9	5.9	5.0	5.8	6.0	8.2	5.2	5.7	6.7	7.2	7.1	7.2	7.4	7.5	7.7	7.8	8.0	7.9	7.8	7.6	7.4	
Pension reduction	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.0	7.6	8.9	11.3	14.0	18.0	21.2	23.8	26.0	27.8	28.4	29.4	30.2	
Total burden	8.8	8.8	8.3	6.2	5.5	9.0	9.6	14.5	12.6	13.7	16.5	22.7	24.1	26.8	30.1	34.7	37.5	40.7	43.5	42.5	43.3	45.5	46.7	
<b>[Differential from Case ] (%)</b>																								
<b>Case [60]</b>																								
Income tax	-0.4	-0.4	-0.9	-2.8	-0.1	0.4	0.4	0.7	0.7	0.8	1.1	1.5	1.5	1.5	1.6	1.7	1.9	2.0	2.0	2.6	2.6	2.6	2.5	
Social contribution	-4.3	-4.4	-4.9	-6.9	-4.0	-4.2	-4.2	-4.0	-4.0	-3.9	-3.8	-4.0	-4.0	-4.6	-4.6	-4.7	-4.8	-4.8	-4.9	-4.9	-4.9	-4.9	-4.9	
Total burden	-4.7	-4.8	-5.8	-9.6	-4.1	-3.8	-3.8	-3.3	-3.3	-3.1	-2.7	-2.4	-2.6	-3.0	-3.1	-3.0	-2.9	-2.8	-2.9	-2.3	-2.3	-2.4	-2.4	
<b>Case [65]</b>																								
Income tax	-0.4	-0.4	-1.2	-4.0	-2.3	-0.1	0.1	0.7	0.7	0.8	1.1	1.5	1.5	1.5	1.6	1.7	1.9	2.0	2.0	2.6	2.6	2.6	2.5	
Social contribution	-4.3	-4.4	-4.9	-6.9	-5.8	-4.6	-4.4	-4.0	-4.0	-3.9	-3.8	-4.0	-4.0	-4.6	-4.6	-4.7	-4.8	-4.8	-4.9	-4.9	-4.9	-4.9	-4.9	
Total burden	-4.7	-4.8	-6.1	-10.9	-8.1	-4.7	-4.4	-3.3	-3.3	-3.1	-2.7	-2.4	-2.6	-3.0	-3.1	-3.0	-2.9	-2.8	-2.9	-2.3	-2.3	-2.4	-2.4	
<b>Case *[60]</b>																								
Income tax	-0.4	-0.4	-1.2	-3.2	-3.4	-1.8	-1.7	-1.4	-2.1	-2.6	-5.8	-6.3	-6.4	-6.6	-7.0	-8.1	-9.7	-3.0	-6.1	-9.7	-10.2	-11.3	-11.7	
Social contribution	-4.3	-4.4	-4.9	-6.9	-7.8	-6.2	-6.1	-5.4	-7.6	-7.1	-6.1	-5.7	-5.7	-5.6	-4.9	-4.0	-3.2	-2.6	-1.9	-1.8	-1.7	-1.7	-1.7	
Pension reduction	0.0	0.0	0.0	0.0	0.0	0.0	0.0	12.5	15.0	17.5	22.5	25.0	25.0	25.5	26.0	27.0	28.0	7.8	14.0	19.5	21.1	24.6	26.0	
Total burden	-4.7	-4.8	-6.1	-10.0	-11.2	-8.0	-7.8	5.7	5.3	7.8	10.6	13.0	12.9	13.2	14.1	14.9	15.1	2.2	5.9	8.0	9.1	11.6	12.5	
<b>Case *[65]</b>																								
Income tax	-0.4	-0.4	-1.2	-4.0	-4.3	-2.8	-2.5	-0.4	0.0	0.0	-1.1	-2.1	-2.3	-2.8	-3.5	-4.4	-6.2	-6.9	-7.6	-11.3	-11.4	-11.1	-11.1	
Social contribution	-4.3	-4.4	-4.9	-6.9	-7.8	-7.0	-6.8	-4.6	-7.6	-7.1	-6.1	-5.7	-5.7	-5.6	-4.9	-4.0	-3.2	-2.6	-1.9	-1.8	-1.7	-1.7	-1.7	
Pension reduction	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.0	7.6	8.9	11.3	14.0	18.0	21.2	23.8	26.0	27.8	28.4	29.4	30.2	
Total burden	-4.7	-4.8	-6.1	-10.9	-12.1	-9.8	-9.3	-5.0	-7.6	-7.1	-5.3	-0.2	0.8	2.9	5.6	9.6	11.8	14.3	16.5	14.8	15.2	16.7	17.4	

This is a hypothetical calculation based on all rates for FY2007 when a single person with no children  
 Social contribution includes pension, health, old-age care, and unemployment.  
 Case & : all earnings from pension benefit  
 Case \* & \*: Total earnings are same as other cases, but they are split into employment earnings and pension benefits.  
 Pension reduction for those who have employment earnings together with pension is applied.

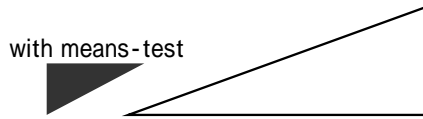
**Table 5-1 Three Models of Institutional Design for Old Age Income Security**

Model	Country	Assessment	Balance (public/private, universal/targeted)	Public&private expenditure	Poverty
<b>Social insurance with private encouraged model</b>	UK USA	Means-Test Means-Test		Medium	High
<b>Social insurance dominant model</b>	Germany France Japan Sweden	Means-Test Means-Test Means-Test Pension-Test		High	Medium to Low
<b>Universal with private encouraged model</b>	New Zealand Netherlands Canada Australia	Universal Universal Income Test (+claw back) Means-Test (+claw back)		Low to medium	Low

## Chart 5-1 Alternatives for Integration

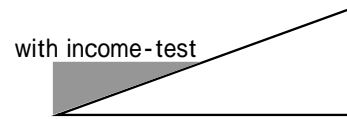
### [Model A: Integrated social insurance(single-tier)]

#### [A-1:Public assistance + earnings-related] (American type)



1. Those whose income is beyond the threshold contribute to a single scheme.
2. Safety-net is provided by public assistance

#### [A-2:Minimum guarantee + earnings-related] (Swedish type)

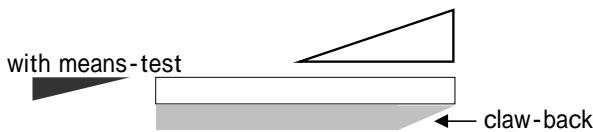


1. Those whose income is beyond the threshold contribute to a single scheme
2. Guaranteed Pension is provided based on residency and income-test.
3. Income-test assesses only income from this earnings-related portion.

↕ Standard living cost  
to be guaranteed

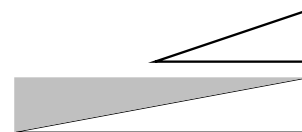
### [Model B: Social insurance(double decker)]

#### [B-1:Basic with 1/2guarantee + earnings-related]



1. Safety-net is provide by 1/2 guarantee + public assistance
2. Those whose income is beyond the threshold contribute to Basic Pension.
3. Earnings-related pension is mainly for employee.

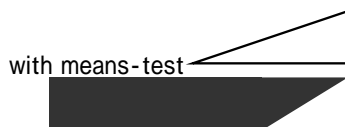
#### B-2:Basic + earnings-related (Dutch type)



1. Everybody contributes to basic pension as far as he/she earns income. Contribution of Basic is a flat rate.
2. Basic pension is provide based on residency and subsidised.
3. Earnings-related pension is mainly for employee.

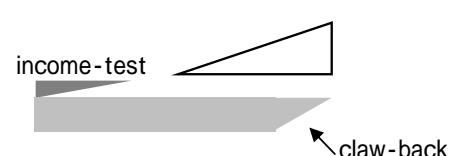
### [Model C: Universal + insurance(double decker)]

#### [C-1:Universal with means-test + earnings-related] (Australian type)



1. Safety-net is provide by universal pension with means-test
2. Earnings-related pension is mainly for employee.

#### C-2:Universal + assisatnce + earnings-related (Canadian type)



1. Safety-net is provided by universal pension and assistance with income-test.
2. Earnings-related pension is mainly for employee.

**Table 5-2 Financing Social Protection in 15 European Countries (1)**

	time	Belgium		Denmark		Germany		Ireland		Greece		Spain		France		Italy	
		%ofGDP	Ratio	%ofGDP	Ratio	%ofGDP	Ratio	%ofGDP	Ratio	%ofGDP	Ratio	%ofGDP	Ratio	%ofGDP	Ratio	%ofGDP	Ratio
<b>Total receipts</b>	1990	28.5	100.0	31.1	100.0	7.0	100.0	14.4	100.0	23.1	100.0	20.0	100.0	27.7	100.0	23.9	100.0
	1995	28.4	100.0	34.9	100.0	28.7	100.0	15.1	100.0	21.4	100.0	21.5	100.0	29.8	100.0	24.7	100.0
	2000	31.4	100.0	32.2	100.0	30.5	100.0	14.9	100.0	24.6	100.0	21.8	100.0	30.0	100.0	25.5	100.0
	2005	34.5	100.0	34.3	100.0	30.2	100.0	19.4	100.0	25.0	100.0	22.2	100.0	31.0	100.0	26.8	100.0
<b>Employers' social contribution</b>	1990	11.8	41.5	2.4	7.9	2.4	33.5	3.5	24.5	9.1	39.4	10.9	54.4	14.1	51.0	13.1	54.9
	1995	13.9	49.0	3.6	10.2	11.6	40.5	3.4	22.3	8.0	37.4	10.7	50.0	14.1	47.4	12.4	50.3
	2000	15.6	49.9	2.9	9.1	11.7	38.5	3.7	25.1	9.4	38.2	11.3	51.8	13.8	46.0	10.9	42.8
	2005	17.7	51.4	3.5	10.3	10.6	35.0	4.8	24.7	8.9	35.5	10.9	48.9	13.9	44.7	11.2	41.7
<b>Social contribution paid by the protected persons</b>	1990	7.3	25.5	1.6	5.3	2.2	31.2	2.2	15.6	4.5	19.6	3.4	16.9	7.9	28.5	3.7	15.5
	1995	6.3	22.1	4.8	13.8	8.2	28.7	2.1	14.0	5.0	23.5	3.7	17.1	8.2	27.5	4.3	17.3
	2000	7.0	22.3	6.5	20.3	8.4	27.6	2.2	15.1	5.5	22.6	3.5	16.2	6.0	19.9	3.8	14.9
	2005	7.6	22.0	6.3	18.5	8.4	27.7	3.0	15.3	5.7	22.9	3.5	15.6	6.5	20.9	4.1	15.3
<b>General government contributions</b>	1990	6.8	23.8	24.9	80.1	1.3	19.1	8.5	58.9	7.6	33.0	5.2	26.2	4.7	17.0	6.5	27.2
	1995	7.4	26.1	24.3	69.7	8.1	28.3	9.5	62.8	6.2	29.0	6.5	30.3	6.4	21.5	7.4	30.0
	2000	7.9	25.3	20.6	63.9	9.7	31.8	8.7	58.3	7.2	29.2	6.4	29.4	9.1	30.3	10.4	40.6
	2005	8.5	24.7	21.7	63.2	10.8	35.6	10.5	53.9	7.7	30.7	7.4	33.3	9.5	30.6	11.1	41.4
<b>Other receipts</b>	1990	2.6	9.2	2.1	6.8	1.1	16.3	0.1	1.0	1.8	8.0	0.5	2.5	1.0	3.5	0.6	2.5
	1995	0.8	2.9	2.2	6.3	0.7	2.5	0.1	0.8	2.1	10.0	0.6	2.7	1.1	3.5	0.6	2.3
	2000	0.8	2.5	2.2	6.7	0.7	2.1	0.2	1.5	2.5	10.0	0.6	2.6	1.1	3.8	0.4	1.6
	2005	0.6	1.9	2.7	8.0	0.5	1.6	1.2	6.1	2.7	11.0	0.5	2.1	1.2	3.8	0.4	1.6

Source: Eurostat Database on social protection receipts by type

**Table 5-2 Financing Social Protection in 15 European Countries (2)**

	time	Luxembourg		Netherlands		Austria		Portugal		Finland		Sweden		United Kingdom		EU15	
		%ofGDP	Ratio	%ofGDP	Ratio	%ofGDP	Ratio	%ofGDP	Ratio	%ofGDP	Ratio	%ofGDP	Ratio	%ofGDP	Ratio	%ofGDP	Ratio
<b>Total receipts</b>	1990	24.6	100.0	35.5	100.0	26.0	100.0	16.7	100.0	28.8	100.0	36.0	100.0	25.5	100.0	-	100.0
	1995	22.4	100.0	34.9	100.0	28.8	100.0	20.5	100.0	35.3	100.0	36.9	100.0	29.0	100.0	28.4	100.0
	2000	21.8	100.0	32.1	100.0	27.9	100.0	21.2	100.0	28.3	100.0	33.9	100.0	27.7	100.0	28.4	100.0
	2005	23.2	100.0	32.9	100.0	28.2	100.0	-	-	29.6	100.0	35.8	100.0	27.1	100.0	28.7	100.0
<b>Employers' social contribution</b>	1990	7.3	29.5	7.1	20.0	10.2	39.3	7.1	42.4	12.7	44.1	13.9	38.6	7.2	28.1	-	41.4
	1995	5.8	25.9	7.3	21.0	11.1	38.5	7.4	35.9	11.9	33.7	13.7	37.0	7.4	25.4	11.1	39.2
	2000	5.4	24.7	9.4	29.4	10.9	39.1	7.5	35.6	10.7	38.0	13.7	40.5	8.3	29.9	11.0	38.7
	2005	6.2	26.9	11.0	33.4	10.7	37.9	-	-	11.5	38.8	14.7	41.0	8.8	32.4	11.0	38.2
<b>Social contribution paid by the protected persons</b>	1990	5.2	21.0	13.9	39.1	6.5	24.8	3.2	19.3	2.3	8.0	0.7	2.0	6.8	26.9	-	22.8
	1995	4.9	21.9	14.9	42.8	7.5	26.1	3.6	17.7	4.8	13.7	2.0	5.3	6.8	23.3	7.0	24.7
	2000	5.2	23.8	12.2	38.1	7.6	27.1	3.7	17.4	3.4	12.0	3.2	9.4	6.2	22.5	6.3	22.2
	2005	5.7	24.4	11.3	34.4	7.7	27.4	-	-	3.4	11.4	3.1	8.8	4.2	15.5	6.0	20.7
<b>General government contributions</b>	1990	10.2	41.5	8.9	25.0	9.1	34.8	4.3	26.0	11.7	40.6	18.3	50.8	10.8	42.6	-	30.2
	1995	10.5	47.0	6.0	17.1	9.9	34.4	6.5	31.9	16.2	45.8	18.4	49.8	14.7	50.5	9.1	32.1
	2000	10.2	46.9	4.6	14.4	9.1	32.5	8.3	39.1	12.2	42.9	15.5	45.8	12.8	46.4	10.1	35.6
	2005	10.5	45.3	6.5	19.9	9.3	33.1	-	-	12.9	43.7	17.2	48.0	13.7	50.5	10.9	37.9
<b>Other receipts</b>	1990	2.0	8.1	5.7	15.9	0.3	1.2	2.0	12.3	2.1	7.3	3.1	8.6	0.6	2.4	-	5.6
	1995	1.2	5.2	6.7	19.2	0.3	0.9	3.0	14.5	2.4	6.9	2.9	7.9	0.3	0.9	1.1	4.0
	2000	1.0	4.6	5.8	18.1	0.4	1.3	1.7	7.9	2.0	7.0	1.4	4.3	0.3	1.2	1.0	3.5
	2005	0.8	3.4	4.0	12.3	0.4	1.6	-	-	1.8	6.1	0.8	2.3	0.4	1.6	0.9	3.2

Source: Eurostat Database on social protection receipts by type