

WORKSHOP

Pensions for the future:
The role of Social Security in
long-term sustainability & trust

BRUSSELS – 26 MARCH 2025 (9:00-11:30)

WORKSHOP

Pensions for the future:
The role of Social Security in
long-term sustainability & trust



KEYNOTE SPEECH

Prof. Sebastian Gajewski

Deputy Minister, Ministry of Family,
Labour and Social Policy, Poland

BRUSSELS – 26 MARCH 2025



WORKSHOP

Pensions for the future:
The role of Social Security in
long-term sustainability & trust

BRUSSELS – 26 MARCH 2025 (9:00-11:30)

ESIP WORKSHOP ON PENSIONS

From data collection to forecast:
How Social Security supports decision-makers



DR CAMILLE LOGEAY
Berlin University of
Applied Sciences
(HTW)



FRANCESCO CORTI
Cabinet of the
Executive Vice President
Roxana Mînzatu



TUIJA NOPOLA
Finnish Centre for
Pensions (ETK)

BRUSSELS – 26 MARCH 2025

Open Source Pension Model for Germany: DyReMo

Prof. Dr. Camille Logeay – HTW Berlin
Joao Domingues Semeano – HTW Berlin

ESIP Pension Workshop
Brussels, 26.03.2025



**Hochschule für Technik
und Wirtschaft Berlin**

University of Applied Sciences

Agenda

- 1 Motivation for the model
- 2 Two applications on failed Rentenpaket II

Motivation for the model

- **Model :**
 - Accounting-Model
 - Based on official data : Federal Office for Statistics, Public German Pension, Federal Employment Agency's statistics
 - Financed by Hans-Böckler-Stiftung
 - Non-financial Support of DRV, DGB, IMK...
 - Open Source (planned end 2026)
- **Motivation:**
 - Providing pension simulations for **stakeholders**
 - Adding **transparency** to the pension debate
 - In the academic community
 - In the community of stakeholders
- **Example (1): Engaging with stakeholder**
 - IG Metall's Soli Rente Plus => first project (Sept. 2024)
 - Followed by discussions with DRV => added new simulations (Oct. 2024)
 - Cooperative workshop between DRV & Academia => presentation of extended simulations based on initial project (April 2025)
- **Example (2): Adding transparency**
 - Simulations on failed pension reform to contribute to :
 - Traceability of the government projections and of the projections of other researchers
 - Adding into the intergenerational justice debate with return calculations

Agenda

1 Motivation for the model

2 **Two applications on failed Rentenpaket II**

Standard presentations

Returns

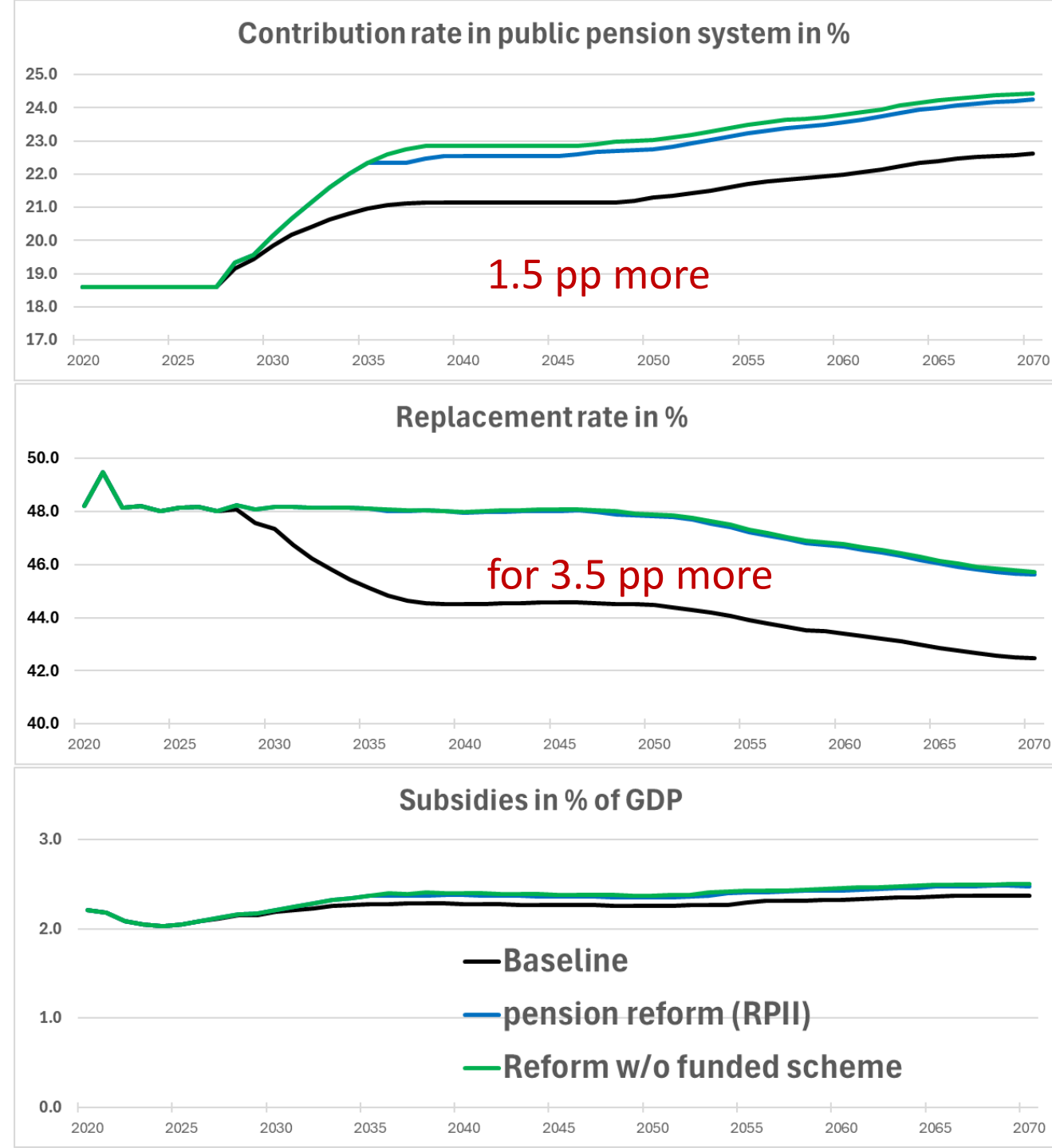
Pension reform (Rentenpaket II)

that did not pass because of gvt's end... but may come partly again...

- **Sustainability** of the German PAYGO public pension system is traditionally measured with three indicators:
 - **Contribution rate for pension** (2025: 18,6% equally shared by employers and employees)
 - **Replace rate** (2025: 48% = pension after 45 years at mean wage as % of the mean wage today)
 - **Tax subsidies** (2025: 22% of pension revenues or 1.3% of (true) GDP, in our model rather 2.2% of our constructed GDP measure)
- **Pension reform plans (Rentenpaket II)** of the tripartite (traffic light) coalition that broke with it on 6.11.2024
 - **Pension level at 48%** beyond 2025, until mid-2040
 - **Building a stock of assets** (Generationskapital) up to 200 Bill. by 2036 mostly credit financed, of which from 2036 on, 10 Bill/year [equivalent of 0,3-0,4pp contribution point] as extra collective income to the pension.
 - Other smaller changes

Pension reform (Rentenpaket II) that did not pass because of gvt's end

- **Baseline scenario :**
 - All inputs (labour market, demography, wages...) set so as to reproduce fairly official gvt's projections
 - This is the benchmark without reform and with constant policy assumption for all adjustment mechanisms
- **Scenarios pension reform (RP11):**
 - Stop line 48% for the replacement rate (till mid 2040)
 - Other small adjustment within the planned law
 - With/ without Generation's capital (credit-financed funded extra income of constant 10 bill/year from 2036 onward)



Agenda

1 Motivation for the model

2 **Two applications on failed Rentenpaket II**

Standard presentations

Returns

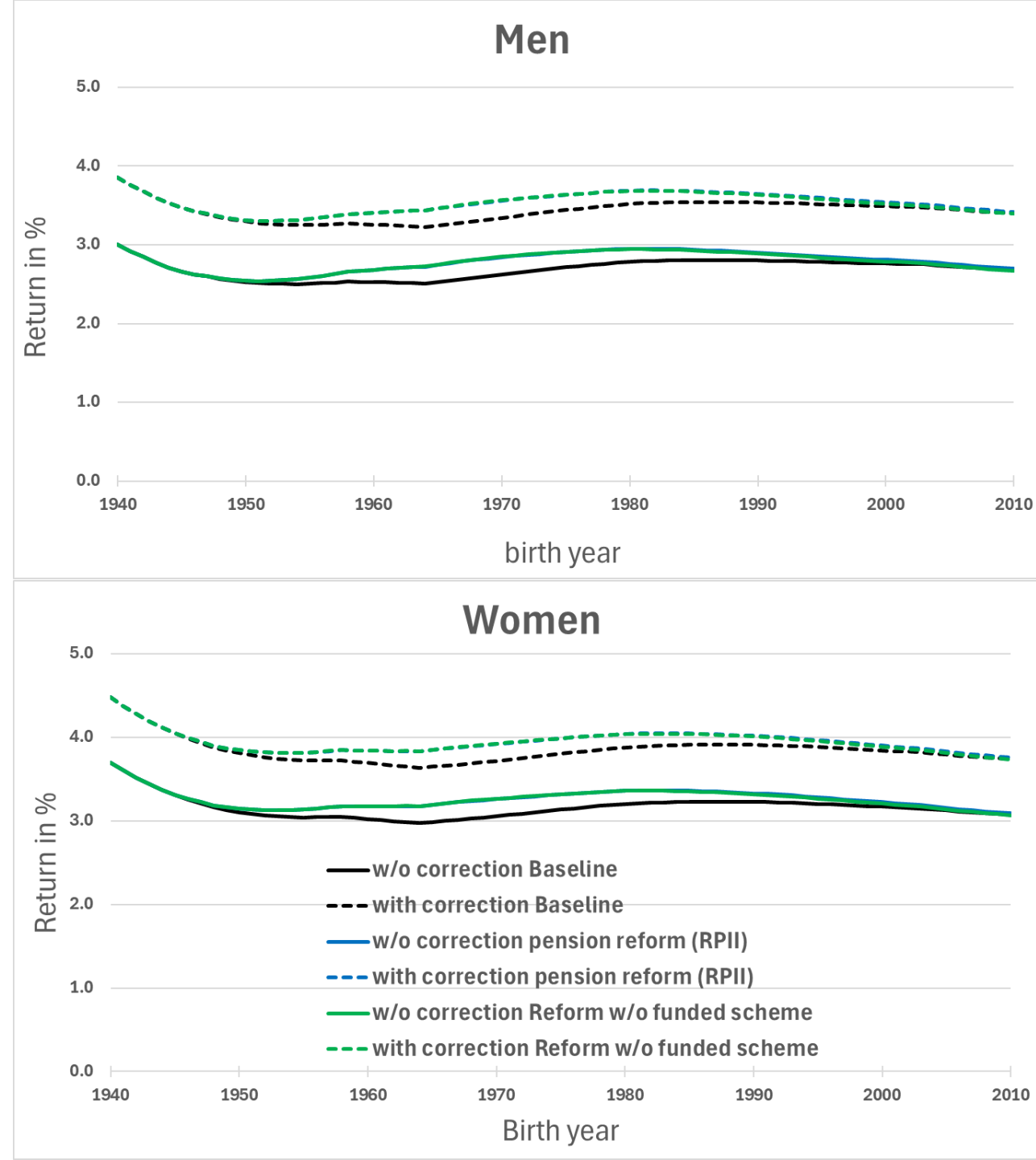
Pension reform (Rentenpaket II) that did not pass because of gvt's end

- Alternative representation: **Internal returns:**

= annualized rate of return at which the present value of the future pension stream break even with the present value of the contribution stream.
- Look at fictive (West German) person who contributed from age 20 to standard retirement age (65 ↗ 67 by 2031)
- Wage profile along empirical data of the DRV
- Long life expectancy (i.e. from 65 ↗ 67) from official data of destatis, consistent with the demography
- Runs the model to have the value of pensions points

13

See IMK Policy Brief 186/2025





**Hochschule für Technik
und Wirtschaft Berlin**

University of Applied Sciences

www.htw-berlin.de

ESIP WORKSHOP ON PENSIONS

From data collection to forecast:
How Social Security supports decision-makers



DR CAMILLE LOGEAY
Berlin University of
Applied Sciences
(HTW)



FRANCESCO CORTI
Cabinet of the
Executive Vice President
Roxana Mînzatu



TUIJA NOPOLA
Finnish Centre for
Pensions (ETK)

BRUSSELS – 26 MARCH 2025



Finnish Pension Reform 2025

ESIP Pension Workshop 26 March 2025

Tuija Nopola, Actuary

Finnish Centre for Pensions



Finnish Centre for Pensions
ELÄKETURVAKESKUS

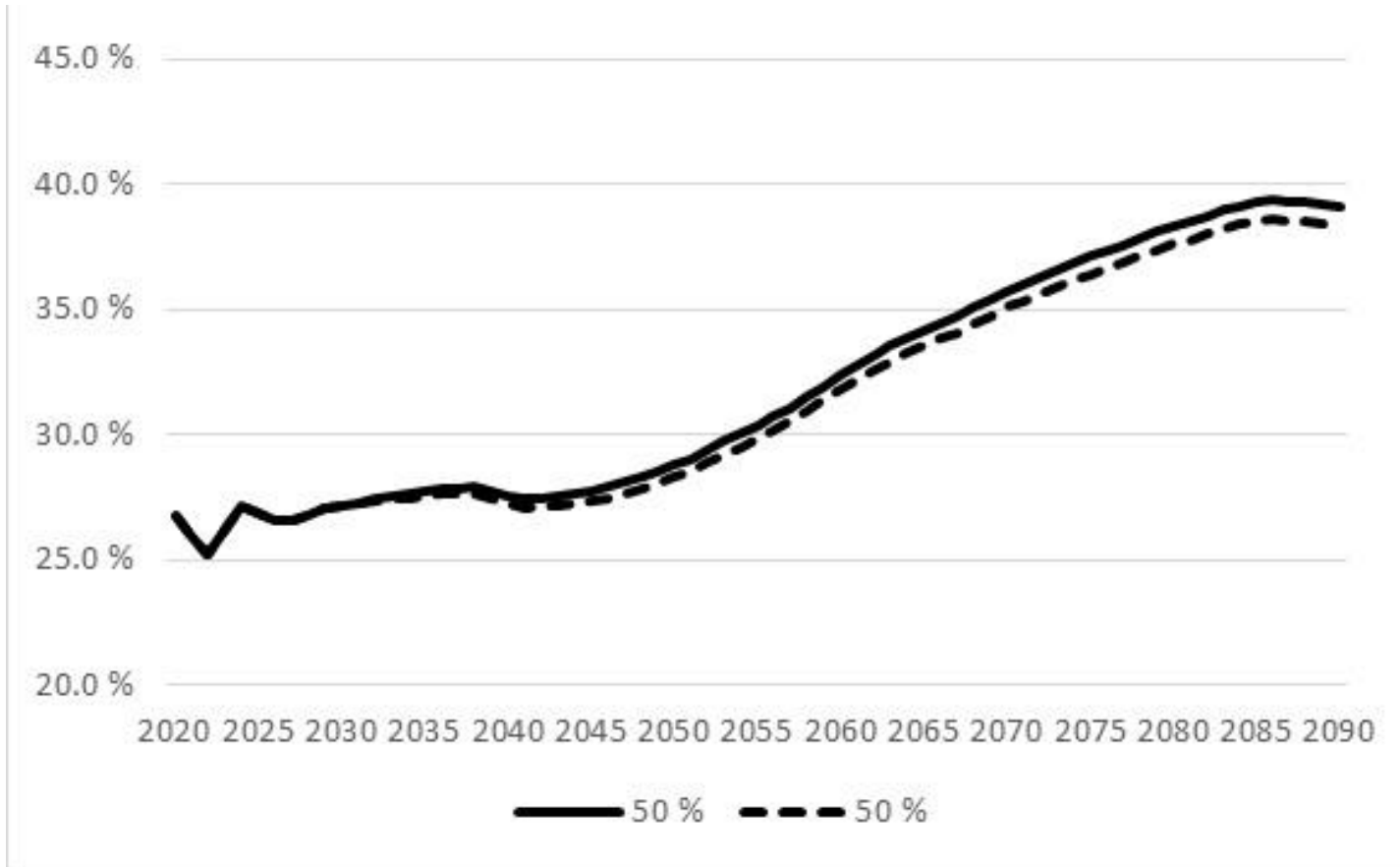
Reform targets

- to ***strengthen general government finances*** in the long term by about 0.4 percentage points relative to GDP (about one billion euros)
- to ***stabilise the pension contribution levels*** in the long term



Implementation: expenditure

Pension expenditure, % of wage sum

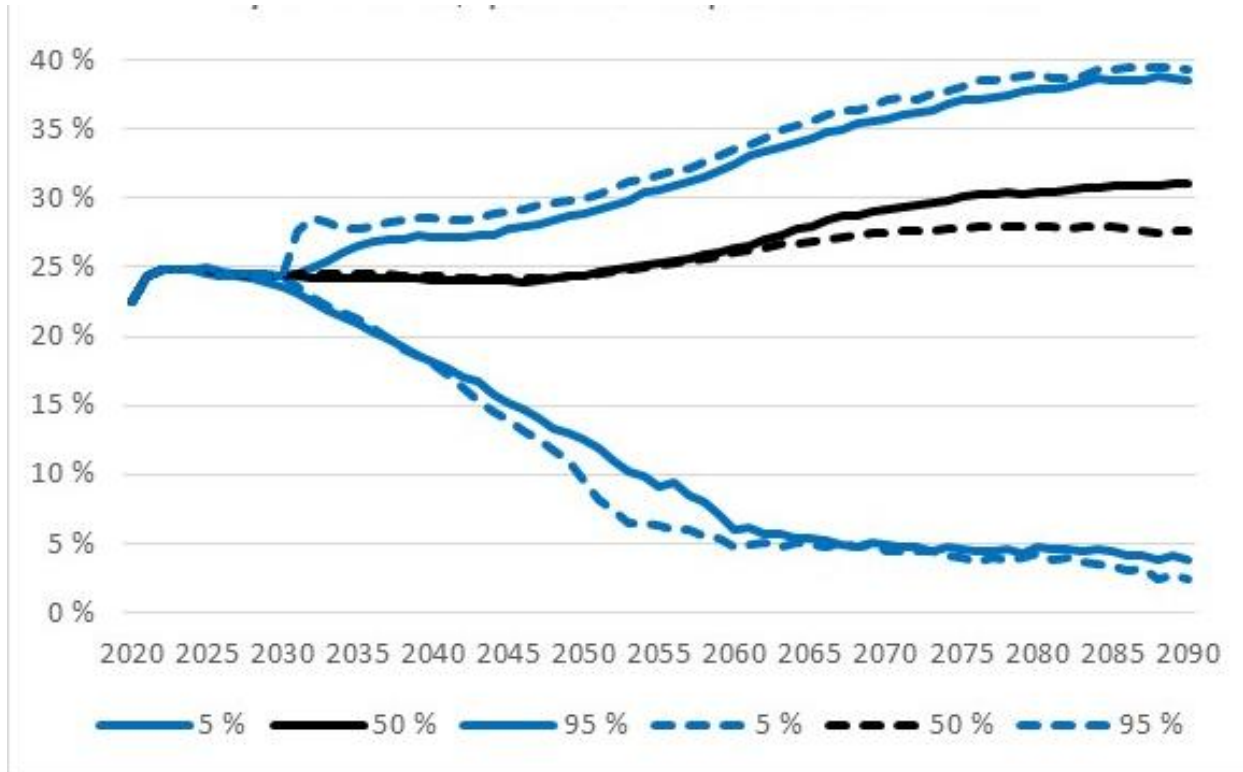


The current law is a solid line, the contract is a dotted line

- **No changes** to current benefits, accruals or retirement ages
- **Inflation stabilisation** for all earnings-related pension acts: The earnings-related pension index may not grow more than the wage coefficient during the same period over a period of two consecutive years

Implementation: contribution

Contribution income, % of wage sum



The current law is a solid line, the contract is a dotted line

- The Employees Pensions Act contribution remains at 24.4% of the annual wages in 2026–2030
- **More funding:** the funding of old-age pension contributions corresponds to the accrual rate of 0.5% of GDP (up from 0.4%)
- **Higher investment risks:** the maximum amount of equity investments covering pension assets is 85% (up from 65%)



ESIP WORKSHOP ON PENSIONS

From data collection to forecast:
How Social Security supports decision-makers



DR CAMILLE LOGEAY
Berlin University of
Applied Sciences
(HTW)



FRANCESCO CORTI
Cabinet of the
Executive Vice President
Roxana Mînzatu



TUIJA NOPOLA
Finnish Centre for
Pensions (ETK)

BRUSSELS – 26 MARCH 2025

WORKSHOP

Pensions for the future:
The role of Social Security in
long-term sustainability & trust

BRUSSELS – 26 MARCH 2025 (9:00-11:30)

ESIP WORKSHOP ON PENSIONS

Transparency: The pathway to trustworthy systems



DR BART VAN RIEL
Dutch Social
Economic Council



ROBERT MARCZAK
Polish Social
Insurance
Institution (ZUS)



MACIEJ LIS
Organisation for
Economic
Cooperation &
Development (OECD)

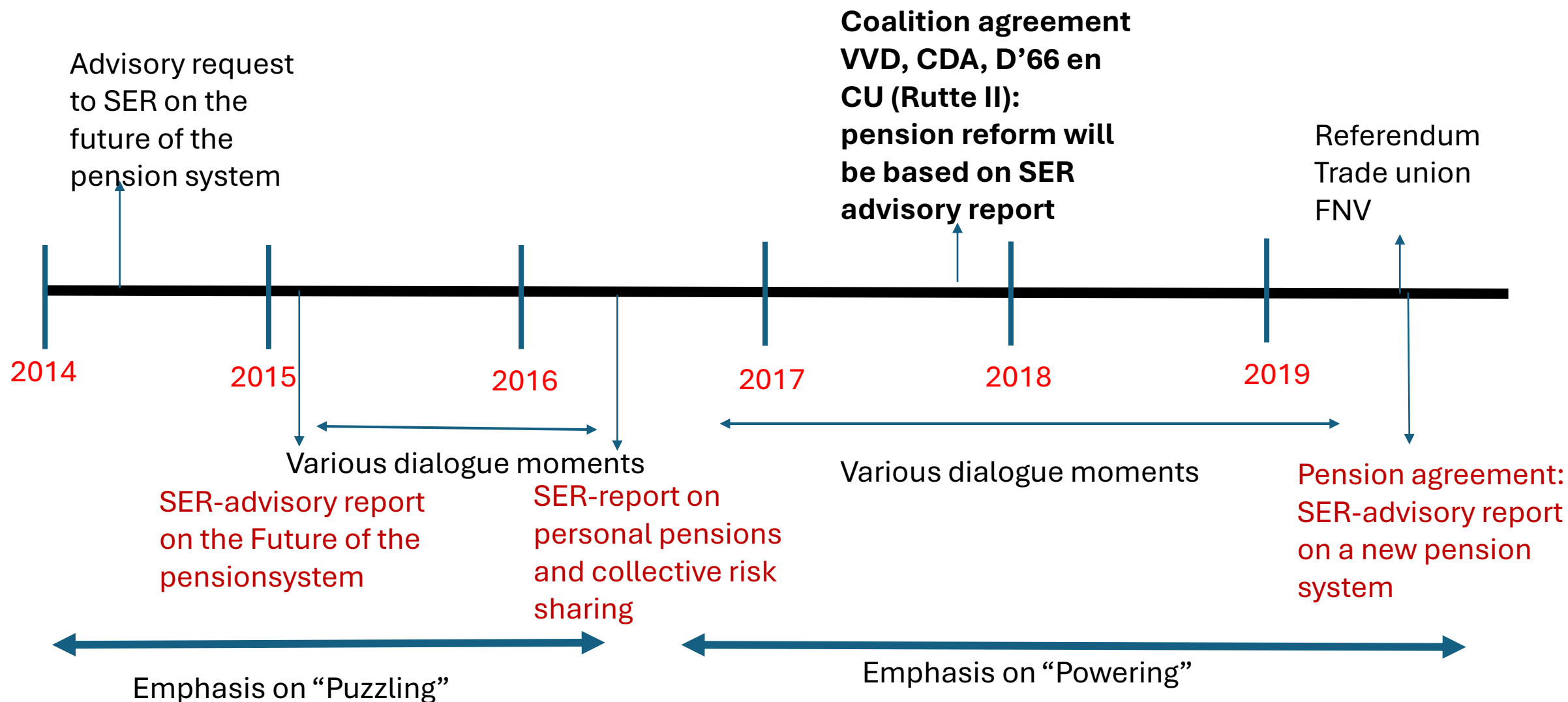


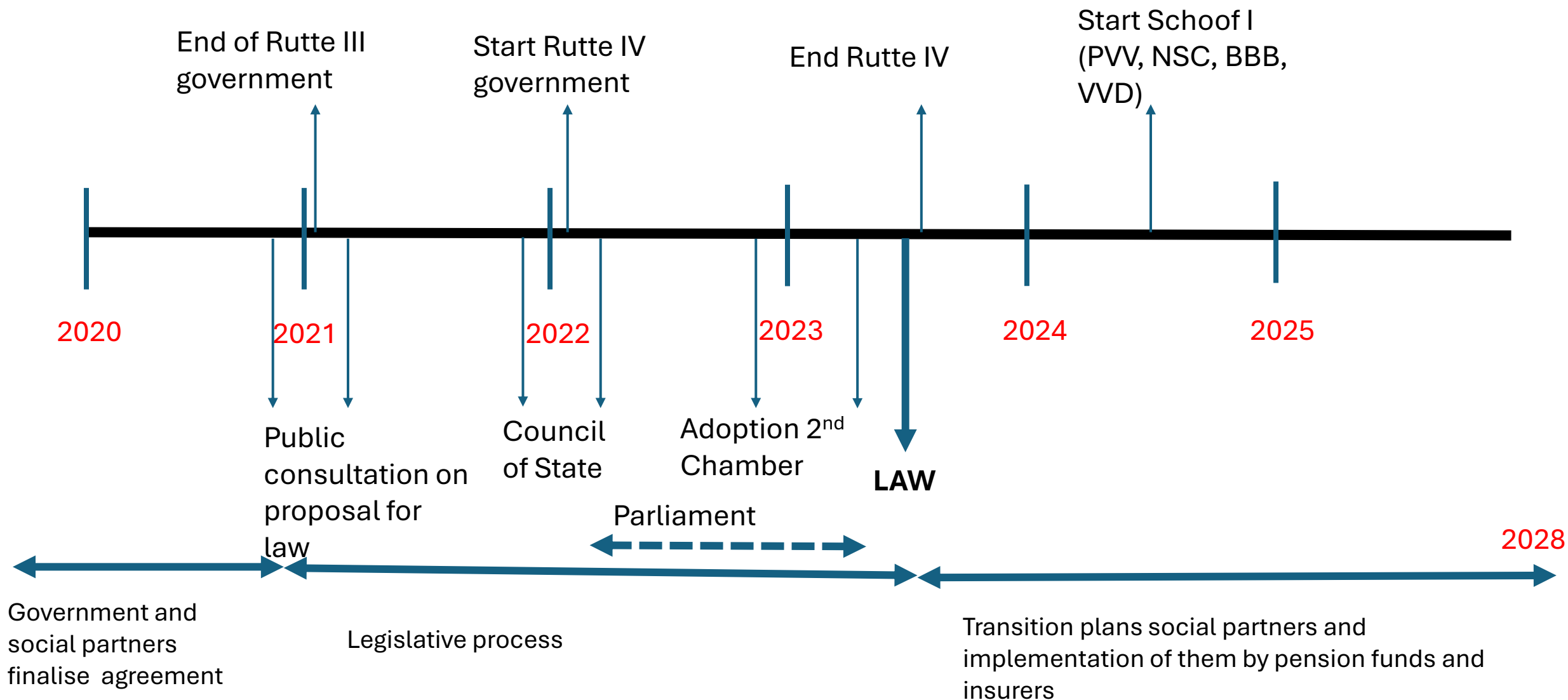
JOEL BOULANGER
European
Commission

BRUSSELS – 26 MARCH 2025

Timeline Dutch pension reform (2014-25)

Bart van Riel, senior policy officer Social Economic Council the Netherlands





ESIP WORKSHOP ON PENSIONS

Transparency: The pathway to trustworthy systems



DR BART VAN RIEL
Dutch Social
Economic Council



ROBERT MARCZAK
Polish Social
Insurance
Institution (ZUS)



MACIEJ LIS
Organisation for
Economic
Cooperation &
Development (OECD)



JOEL BOULANGER
European
Commission

BRUSSELS – 26 MARCH 2025

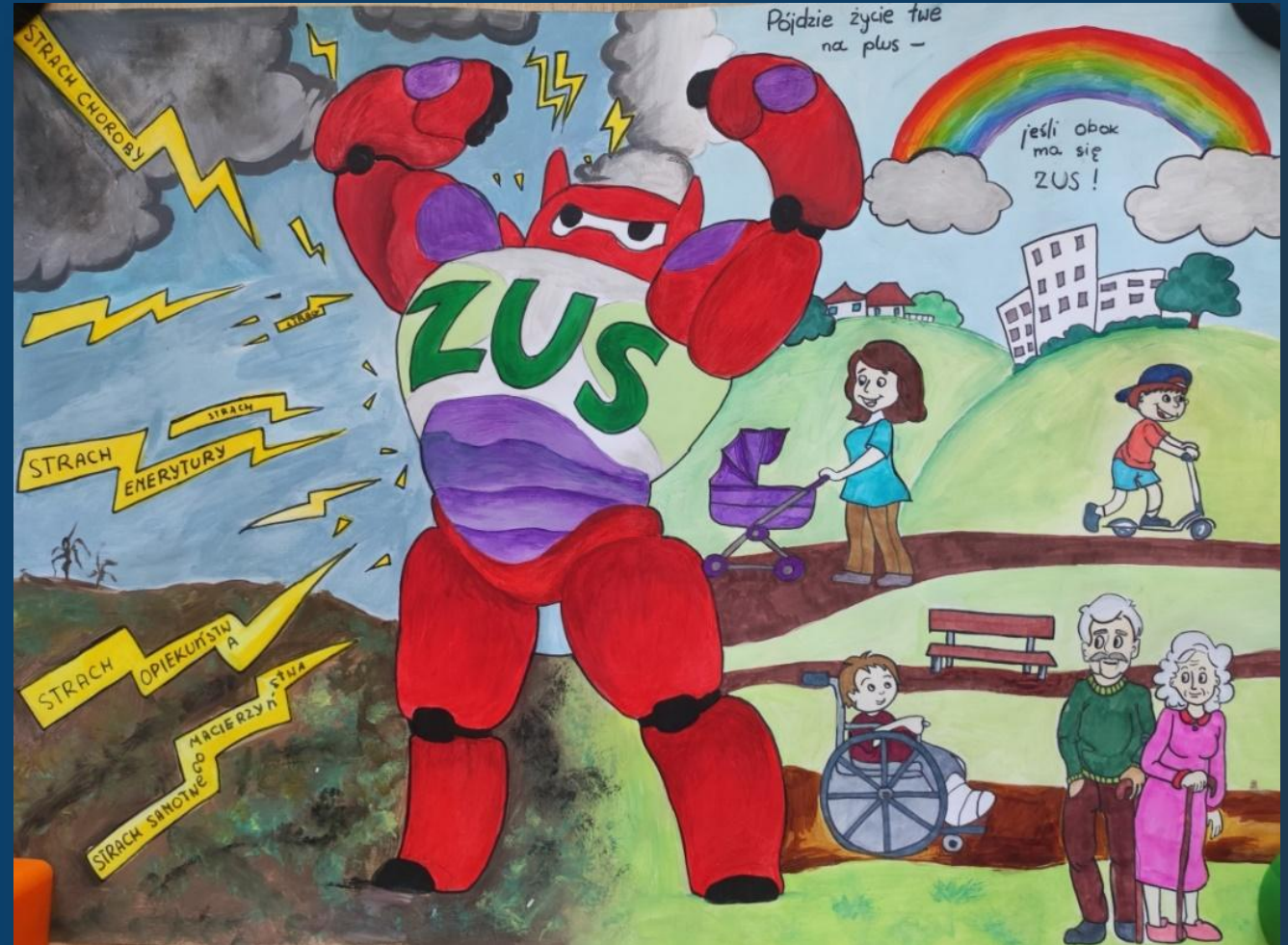
Project with ZUS Competition

HBO Polska ✓
23 December 2018 · ⚙

W galaktyce pojawił się nowy czarny charakter i już wiadomo, że nikt nie będzie sobie z nim poradzić. Kto ma największe szanse pokonać Thanosa? Film Avengers: Wojna bez granic jest już dostępny w <https://hbogo.pl/> Pamiętaj wszystkich bohaterów? Jeśli nie, przypomnij sobie ich historie w naszym serwisie.



Urząd Skarbowy i ZUS
Like · Reply · 28w 565



Mariia Ladyka, Amelia Kiełb Zespół Edukacyjny nr 7
Szkoła Podstawowa nr 27 w Zielonej Górze

Social Security Education – The Real Impact of ZUS



Over 727,000 students have participated in the "**Lessons with ZUS**" program, meaning it has reached a significant number of secondary schools in Poland.



Nearly 300,000 students have taken part in the **ZUS Olympiad** to test their knowledge of social security.



The "**Project with ZUS**" initiative has engaged **over 136,000 students** nationwide.



ZUS is not just about benefits – it shapes an informed society!



Social security education is an **investment in citizens' future**.



The more awareness, the greater the trust in the social security system.

ESIP WORKSHOP ON PENSIONS

Transparency: The pathway to trustworthy systems



DR BART VAN RIEL
Dutch Social
Economic Council



ROBERT MARCZAK
Polish Social
Insurance
Institution (ZUS)



MACIEJ LIS
Organisation for
Economic
Cooperation &
Development (OECD)



JOEL BOULANGER
European
Commission

BRUSSELS – 26 MARCH 2025



PENSIONS FOR THE FUTURE: THE ROLE OF SOCIAL SECURITY IN LONG-TERM SUSTAINABILITY & TRUST

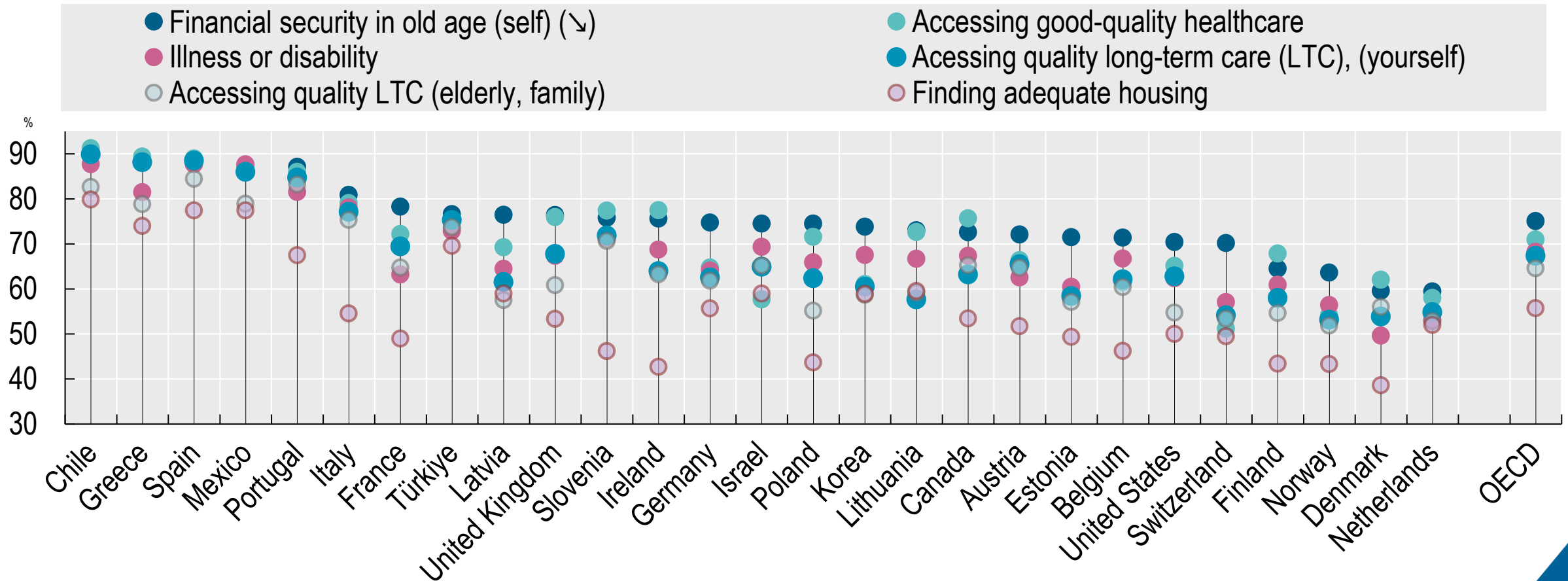
Panel II - Transparency: The pathway to trustworthy systems
ESIP Workshop

Maciej Lis
Social Policy Division
ELS
OECD



Old-age security is the top concern in many countries

Proportion of respondents indicating they are somewhat or very concerned by each identified risk over the next ten years, by country, 2022





Examples of pension communication

Reform-related communication

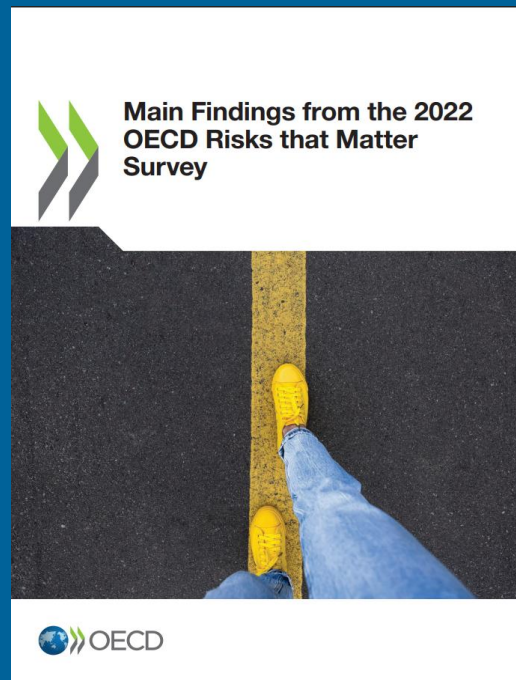
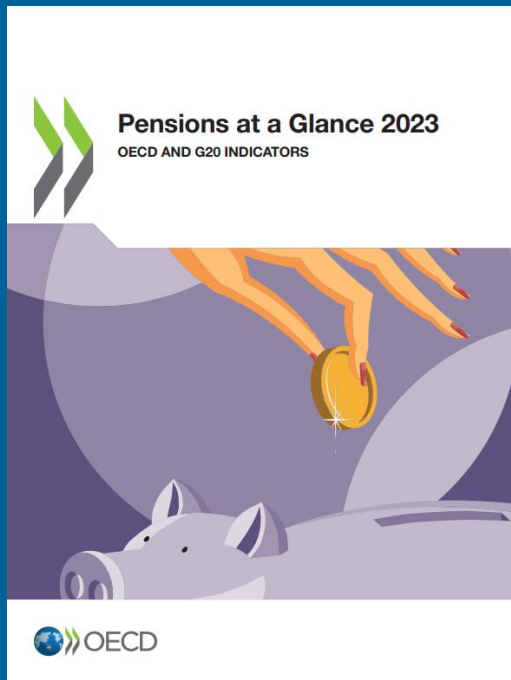
- Finland – 2017 reform Before the 2017 pension reform, the Finnish Centre for Pensions produced an information booklet on the reform.
- Norway – 2011 reform

Regular communication

- Mexico, pension statements include three examples of amounts that would have to be contributed on a monthly basis until retirement to meet different monthly retirement income levels.
- Sweden sends out a yearly pension statement known as the 'Orange Envelope' to all insured persons and pensioners.
- Germany: all people aged 27+ receive a yearly pension statement.
- United States: the Social Security Statement is available for everyone to view online, and is sent every year by mail to workers over 60 who do not have an account on My Social Security, three months before each birthday.



FOR MORE INFORMATION PLEASE CHECK:

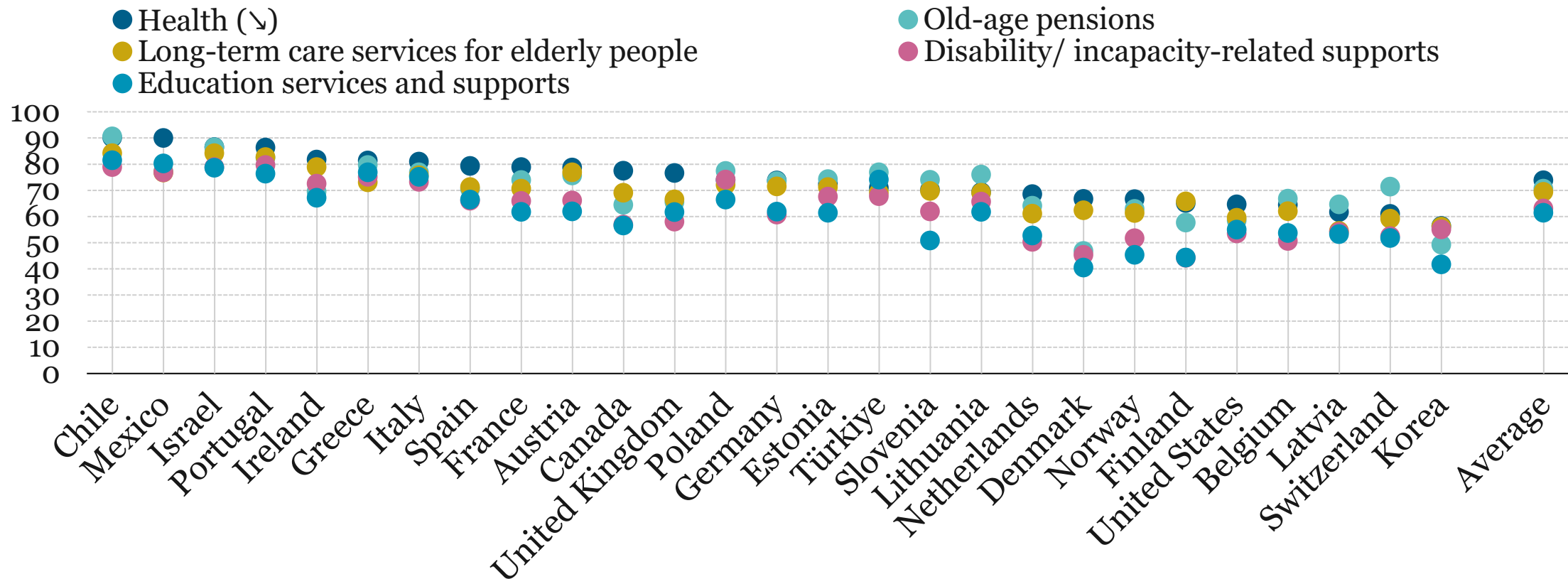


AND CONTACT ME AT
Maciej.Lis@oecd.org



Respondents want to see more spending on healthcare and support for older adult

Proportion of respondents who think governments should spend a little more or much more in the following policy areas



ESIP WORKSHOP ON PENSIONS

Transparency: The pathway to trustworthy systems



DR BART VAN RIEL
Dutch Social
Economic Council



ROBERT MARCZAK
Polish Social
Insurance
Institution (ZUS)



MACIEJ LIS
Organisation for
Economic
Cooperation &
Development (OECD)



JOEL BOULANGER
European
Commission

BRUSSELS – 26 MARCH 2025

WORKSHOP

Pensions for the future:
The role of Social Security in
long-term sustainability & trust

BRUSSELS – 26 MARCH 2025 (9:00-11:30)