**Social Protection and Financial Sustainability**

**Sources:**

**Notes:**
- Gross pension wealth by earnings level;
- mandatory pension programmes
- Men and women: weighted (average) pension wealth

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**Replacement Rates at 2/3rd of Average Earnings Level, 2005-2050**

<table>
<thead>
<tr>
<th>Year</th>
<th>First Pillar Gross</th>
<th>Total Gross</th>
<th>Total Net</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>90.5</td>
<td>97.2</td>
<td>91.6</td>
</tr>
<tr>
<td>2030</td>
<td>85.3</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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**Pension Wealth at different Earning Level and by Gender*, 2040**

- **n.a**

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**Indicators**

- **Demographic Indicators**
- **Income and Wealth**
- **Labour Market and Labour Market Participation**
- **Social Protection and Financial Sustainability**

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**Median Pensions relative to Median Earnings, 1995 - 2004**

- **n.a**
Spain

**Implicit Contribution Rate, 2004-2050**

- **n.a**

**Total Pension Spending in % of GDP and in % of Social Exp.***

- **8.6** in % of GDP
- **15.7**
- **54.9** in % of Social expenditure

*Pensions, health, long-term care, education, unemployment benefits

**Decomposition of Projected Public Pension Spending, 2004-2050**

- **n.a**

**Sustainability Gap Indicators***, 2004

- **n.a**

**System Accrual Rates**

- **n.a**

- **RDP = Required Primary Balance**

**Lifetime Allocation***

- 25.0 Women
- 49.7 Working life
- 25.4 Retirement

**Take-up Ratio**

- 119

**Old Age and System Dependency Ratios**

- **n.a**

Sources:

- Total Pension Spending: NSR; EPC 2003; Casey et al.
- System Accrual Rates: OECD, Pensions at a glance 2005; NSR 2005; MISSOC 2005
- Take-up Ratio: World Labour Report 2000, ILO

* Based on average ages of entry and exit to/from the labour market calculated for 2000
<table>
<thead>
<tr>
<th>Participation in Private Pension Schemes, 2004</th>
<th>Age Differential in Statutory Retirement Age, 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>occupational 10</td>
<td>65 years for both women and men.</td>
</tr>
<tr>
<td>individual n.a.</td>
<td></td>
</tr>
</tbody>
</table>

**Pension Credit for non-contributory Periods, 2005**

Non-contributory periods credited or taken into consideration
• First year of parental leave to bring up a child under three years is considered to be a period of effective contributions.
Contributions are deemed to have been paid during the first year of unpaid leave for care of children or dependent family members, when the job is kept open for the worker’s return. The period of one year for childcare will be extended. Furthermore, there will be no longer the requirement of a minimum contribution period when awarding a benefit for risk during pregnancy.

Non-contributory periods credited or taken into consideration
• Child care years in the case of parents of children under 4;
• national service or equivalent;
• qualifying earnings in the case of recipients of income related activity/sickness compensation;
• social security benefits.

For some of these periods the individual pays a contribution, the State always pays what remains up to 18,5%.

Compensation for the loss of income in the case of parental leave is, i.e. the parental benefit, is pensionable. The equivalent of the contribution the employer would have paid is financed from the Central Government budget. Furthermore, in addition to real income, some fictitious incomes give pension rights. Parents of small children are therefore credited with a supplementary pension right, a pensionable amount, given to the parent with the lowest income. These amounts are financed totally from public revenue.