Sources:
Individual RRs, RRs for diff. Earnings Level:
SPC 2004, NSR 2005;
Pension Wealth: OECD, 2005

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

Indicators

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

Median Pensions relative to Median Earnings, 1995 - 2004
n.a
Germany

**Sources:**
- Implicit Contribution Rate: Public finances in EMU 2005, European Commission
- Total Pension Spending: NSR; EPC 2003; Casey et al.
- Decomposition, Contributions: Eurostat; NSR 2005; EPC 2003; Casey et al. 2003
- Tax Gap Indicators: EPC 2003: Public Finances in EMU 2005
- System Accrual Rates: OECD, Pensions at a glance 2005; NSR 2005; MISSOC 2005
- Take-up Ratio: World Labour Report 2000, ILO
- System Dependency Ratios: The impact of ageing on public expenditure, EPC and EC

**Implicit Contribution Rate, 2004-2050**

<table>
<thead>
<tr>
<th>Year</th>
<th>2004</th>
<th>2010</th>
<th>2020</th>
<th>2030</th>
<th>2040</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rate</td>
<td>28.7</td>
<td>28.7</td>
<td>28.3</td>
<td>28.7</td>
<td>28.7</td>
</tr>
</tbody>
</table>

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

- in % of Social expenditure
  - 2004: 48.2, 2050: 49.5
- in % of GDP
  - 2004: 11.4, 2050: 13.1

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

- demographic change: -1.1, -0.8, -3.5
- employment: 7.5
- entitlement: 1.9

**Sustainability Gap Indicators*, 2004**

<table>
<thead>
<tr>
<th>Year</th>
<th>S1</th>
<th>S2</th>
<th>RPB</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>1.2</td>
<td>1.6</td>
<td>2.2</td>
</tr>
</tbody>
</table>

**System Accrual Rates**

- Accrual*: 1.0
- Decrease: 3.6
- Increase: 6.0

**Lifetime Allocation**

- in %
  - Retirement: 25.6
  - Working life: 48.4
  - Childhood and education: 26.0

**Take-up Ratio**


**Old Age and System Dependency Ratios**

- 2004: 74
- SDR: 2.4
- Projected SDR: 2.2, 2.3

*Note: Based on average ages of entry and exit to/from the labour market calculated for 2000
Participation in Private Pension Schemes, 2004

<table>
<thead>
<tr>
<th>Source</th>
<th>Participation in Private Pension Schemes, 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>Pension Credit for non-contributory Periods, 2005</td>
</tr>
<tr>
<td></td>
<td>Age Differential in Statutory Retirement Age, 2005</td>
</tr>
<tr>
<td></td>
<td>From 2000 to 2004 age limit for deduction-free old age pension for women increased from 60 to 65 (beginning with birth year 1945), from birth year 1952 on (special) old-age pension for women no longer possible. For both men and women the legal retirement age will be raised from 65 to 67 from 2012 on.</td>
</tr>
<tr>
<td></td>
<td>Sources: Adequate and sustainable pension, European Commission, 2006 Adequate and sustainable pension, European Commission, 2006</td>
</tr>
<tr>
<td></td>
<td>MISSOC 2005 MISSOC 2005</td>
</tr>
</tbody>
</table>

Pension Credit for non-contributory Periods, 2005

Non-contributory periods credited or taken into consideration

- credited substitute periods;
- credited assimilated periods (periods of sickness, rehabilitation, unemployment, studies and higher education over 16 years);
- credited child-raising periods.

Three years are credited as an obligatory contribution period for care for a child (for children born before 1992: 1 year). These times give rise to pensions entitlements equivalent to those of an average earner. If a job is held at the same time in addition to childcare, the corresponding additional pension entitlements are also accrued.

The childcare period until the child reaches the age of ten is credited as childcare time. These times by themselves do not give rise to any pension entitlements, and do not directly increase the pension, but they are allowed if certain waiting periods are complied with; they maintain the reduction of earning capacity and have a positive impact on the evaluation of contribution-free periods.

With carers who are in employment subject to compulsory social insurance during the first ten years of their child’s lives, but earn less than the average (for instance because they work part-time), these income times are given a higher pension evaluation than corresponds to the actual earnings. In concrete terms, the actual income is increased by 50 % in this case, but to a maximum of the average income. This is contingent on the carer showing a total of at least 25 years with pensionable periods. This support also benefits carers who are unable to work in many cases because of caring for a child in need of long-term care. Here too, the obligatory contribution time to be recognised for the carer is upgraded by 50 % when calculating the pension, but up to a maximum of the value emerging from 100 % of the average earnings, indeed until the child in need of long-term care has reached the age of 18.

If no gainful employment is carried out due to simultaneous care for two or more children under the age of ten, and hence it is not possible to upgrade contribution times, a credit of pension entitlements is granted as compensation. This credit corresponds to the maximum additional pension entitlement which can be attained by upgrading employment times with below-average earnings, whilst at the same time caring for a child.