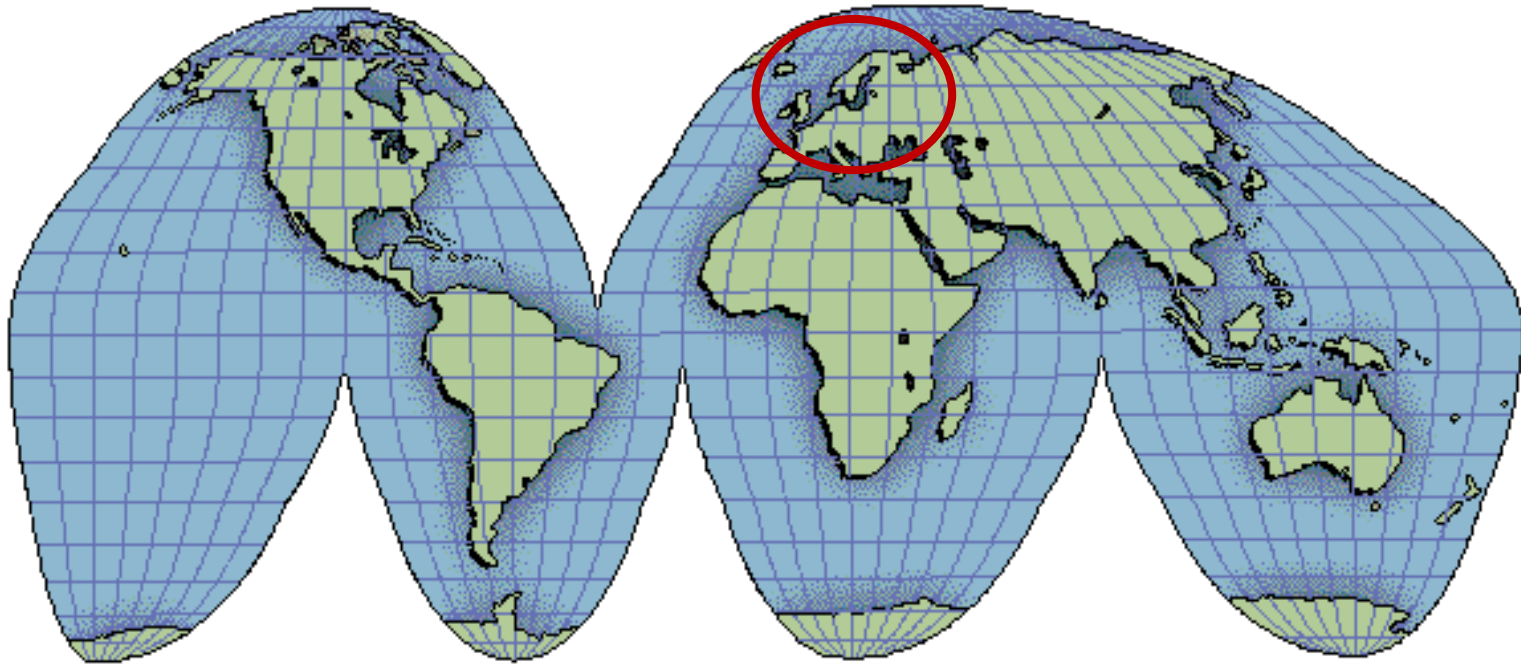


Developments in Pension Reforms: The Scandinavian Countries

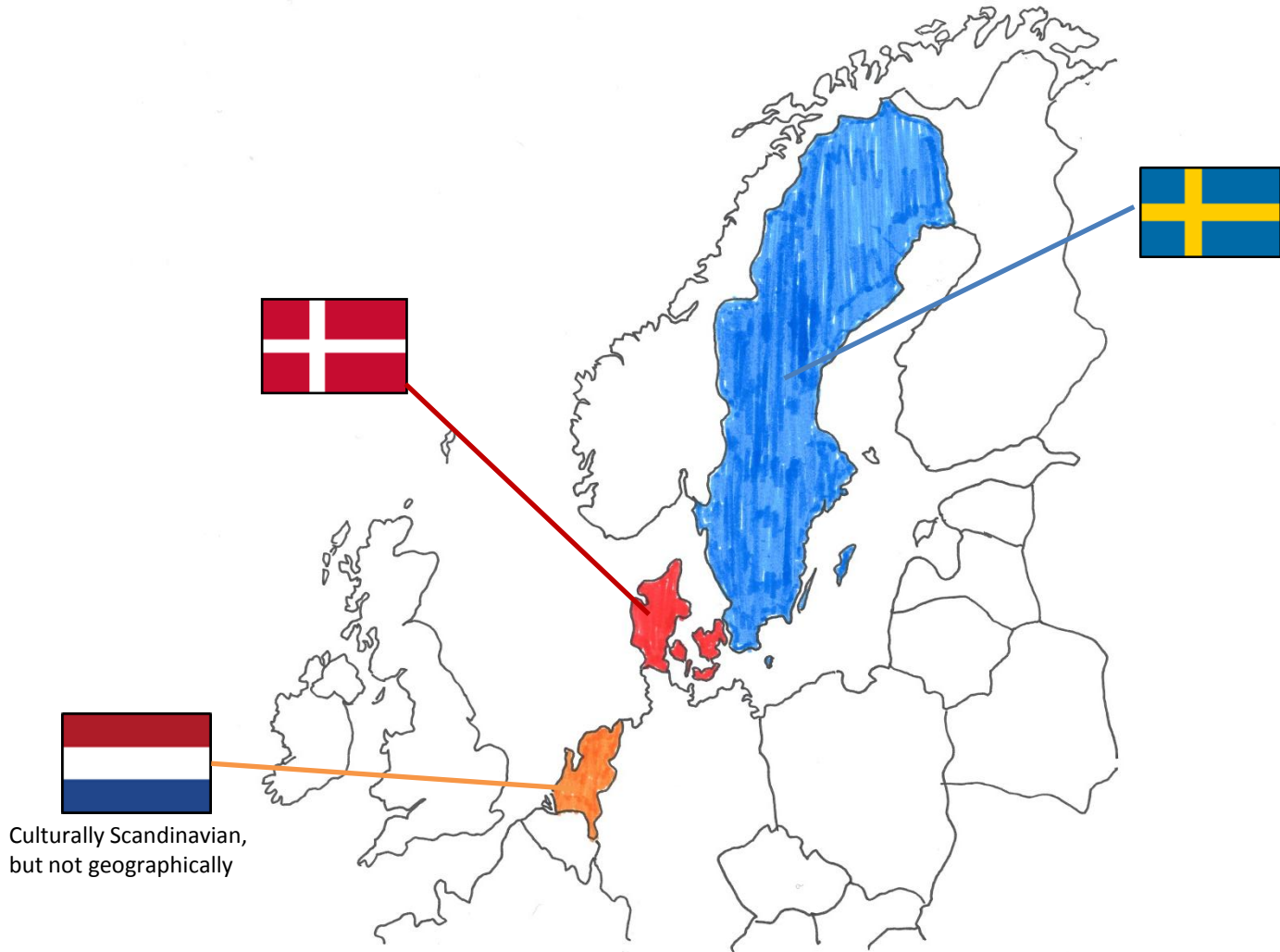
Stefan Lundbergh

May 19, 2015

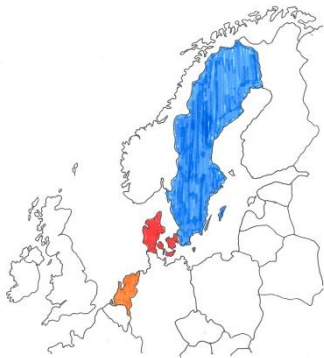
Scandinavian Countries



Zooming in...



Facts



	Sweden	Denmark	Netherlands
Area	140%	10%	10%
Population	30%	20%	55%
GDP	4.1	4.4	3.6

In relation to Malaysia

Path dependent developments

Culture



History



Coincidences



Compartmentalized midset



Individual



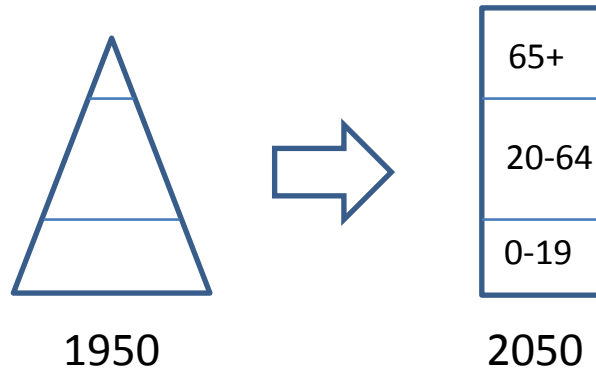
The tax bill (social redistribution)

Basic Comparison



DEVELOPMENTS

Trend: Demographics



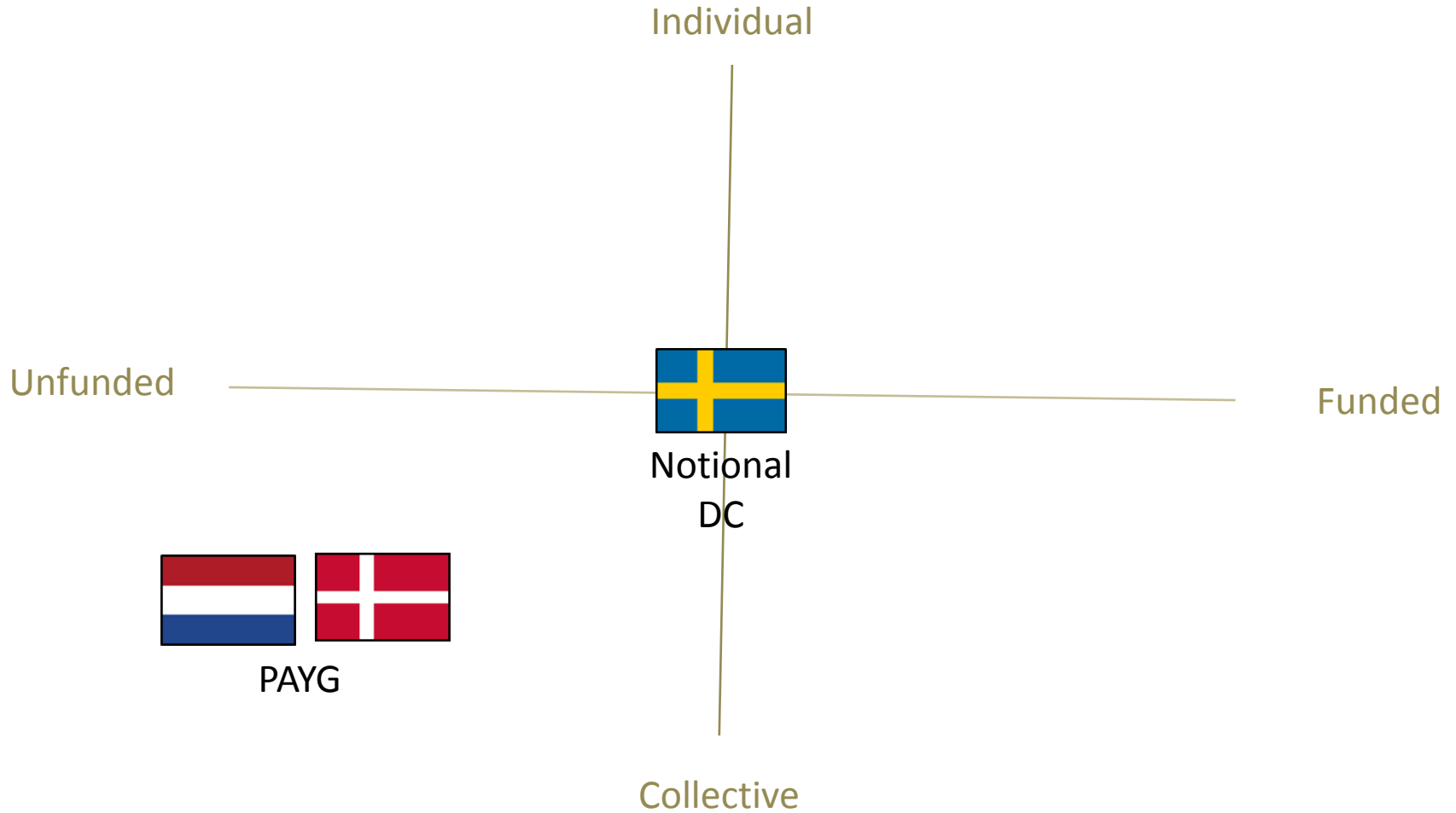
“More with less”

- Living longer
- Fewer children
- The state cannot compensate





State pension



Trend: Modern career patterns

Age 6 in 2015



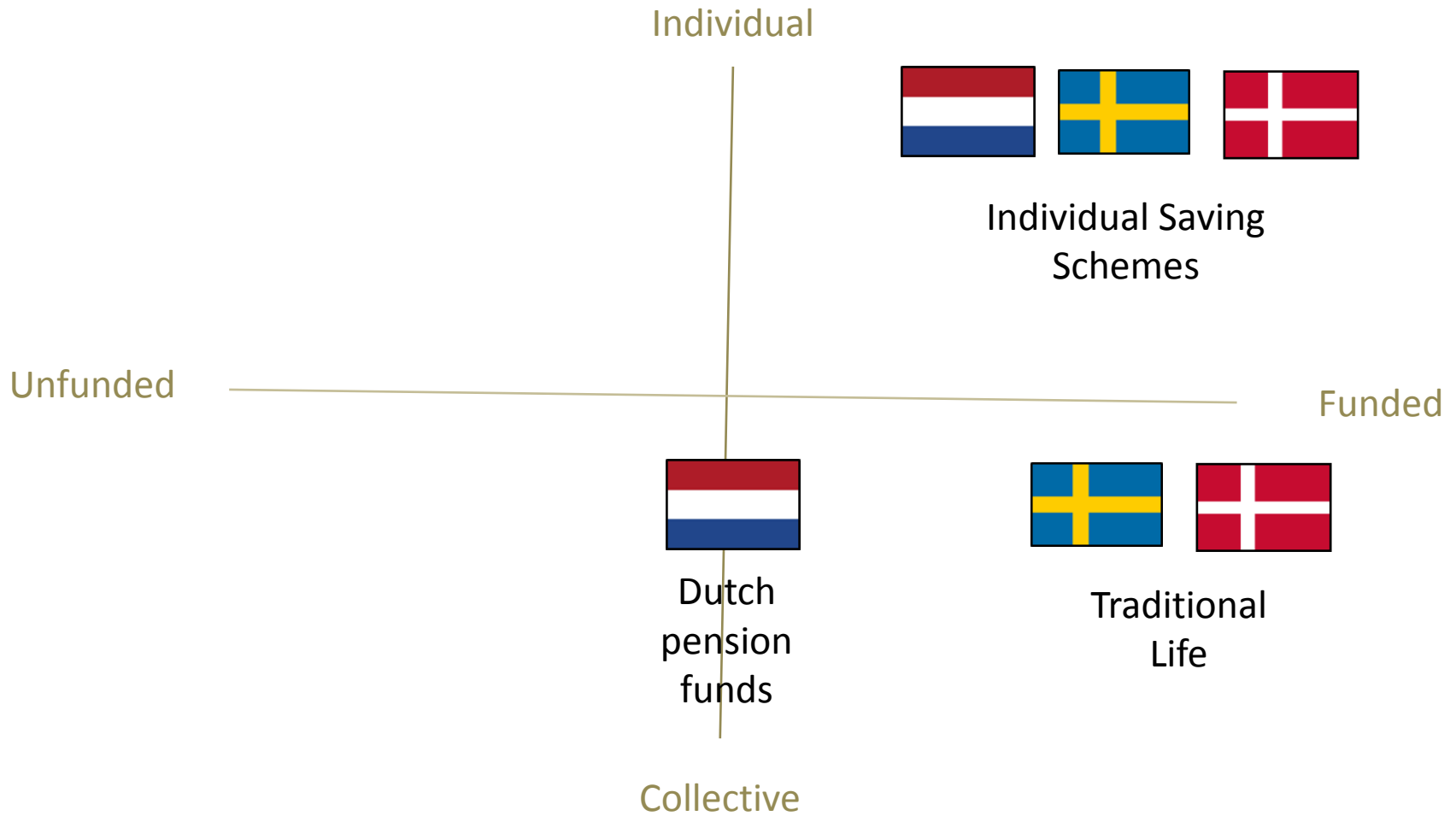
Looking back in 2080...

- Studied abroad
- Worked abroad
- Several employers
- Different sectors
- Self-employed



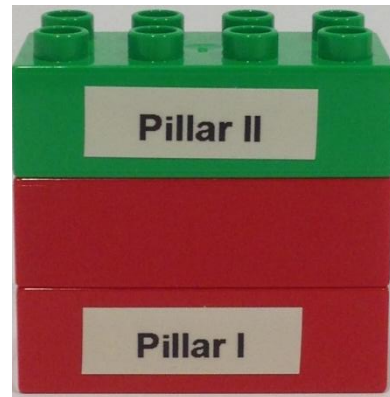


Occupational pension



Horses for courses

Second pillar: Financial contact where only insurable risk should be pooled.



First pillar: A social contract where risk can be shared between generations.



Reform discussions



- No discussion around state pension
- Intense discussion on occupational pension



- A commission investigating the interaction between the state and occupational pension
- Debate around implicit marginal tax effects



- Review of premium pension
- Banning sales provision is discussed

Learning from others mistakes

- Demographics – Act now, the problem will only grow!
- Don't forget to pool individual longevity – it is a free dinner for the individual

