

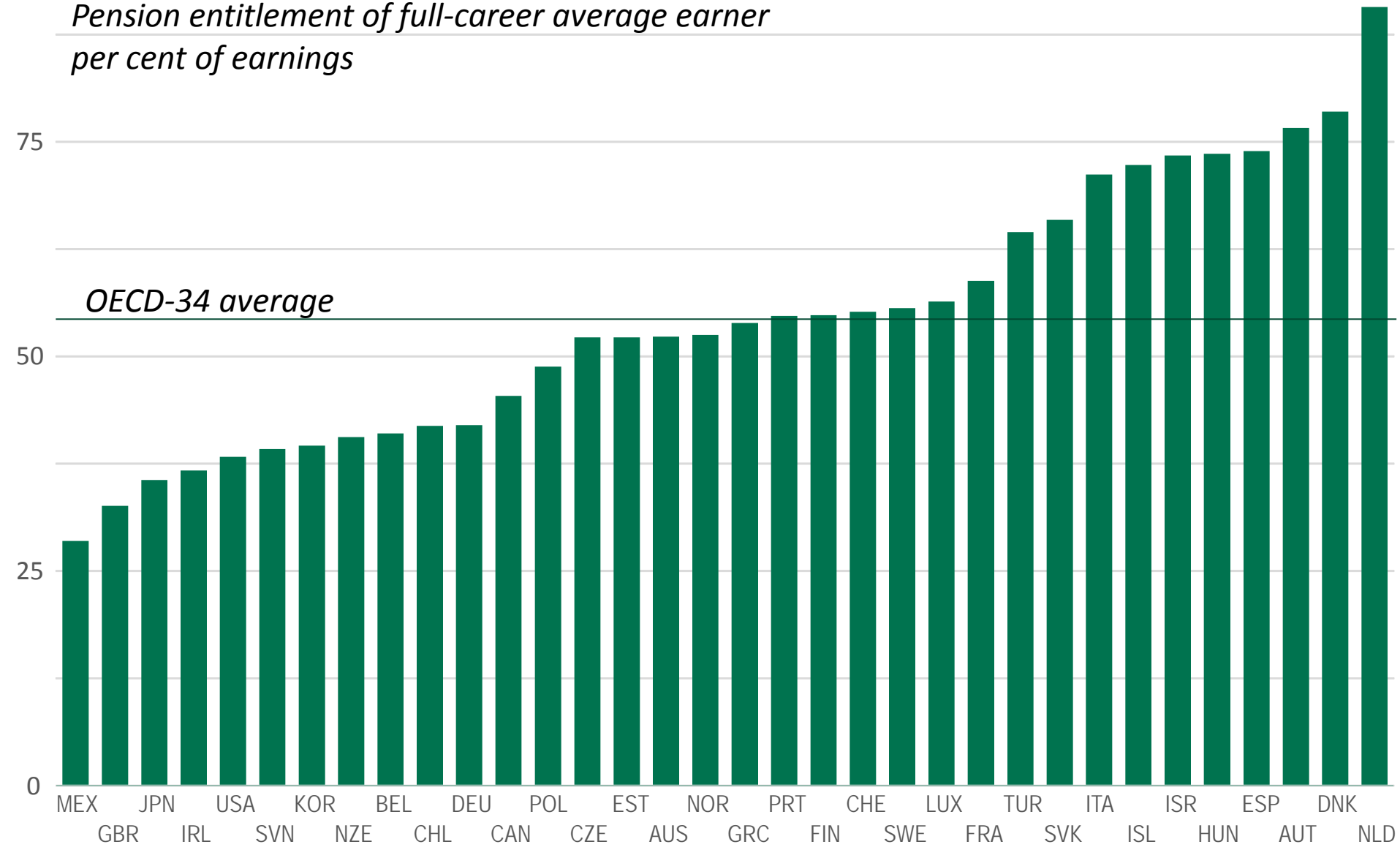
# **Size and nature of the retirement income challenge**

**Edward Whitehouse**

# Mandatory gross replacement rates

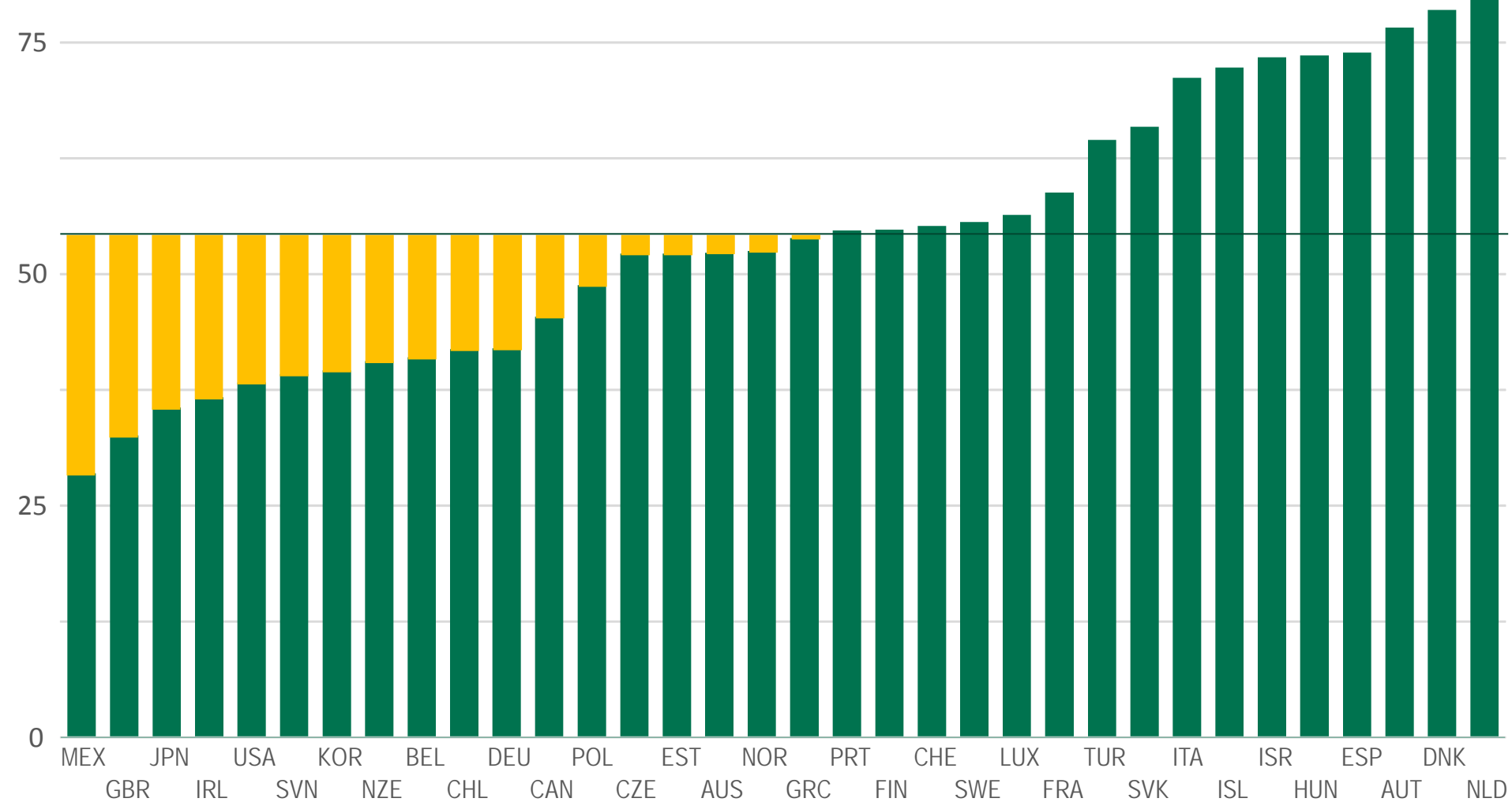
*Pension entitlement of full-career average earner  
per cent of earnings*

*OECD-34 average*

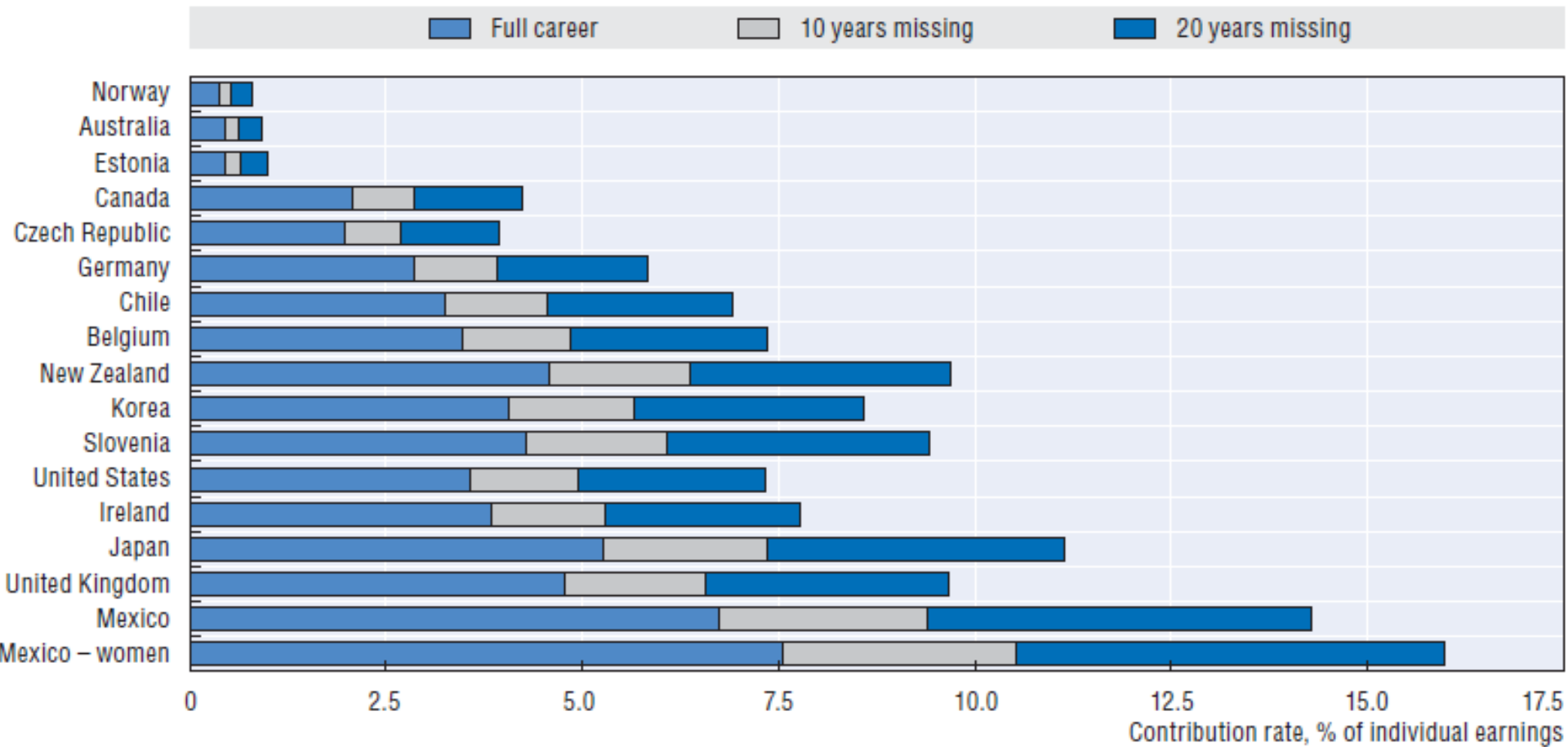


# Mandatory gross replacement rates

*Pension entitlement of full-career average earner  
per cent of earnings*

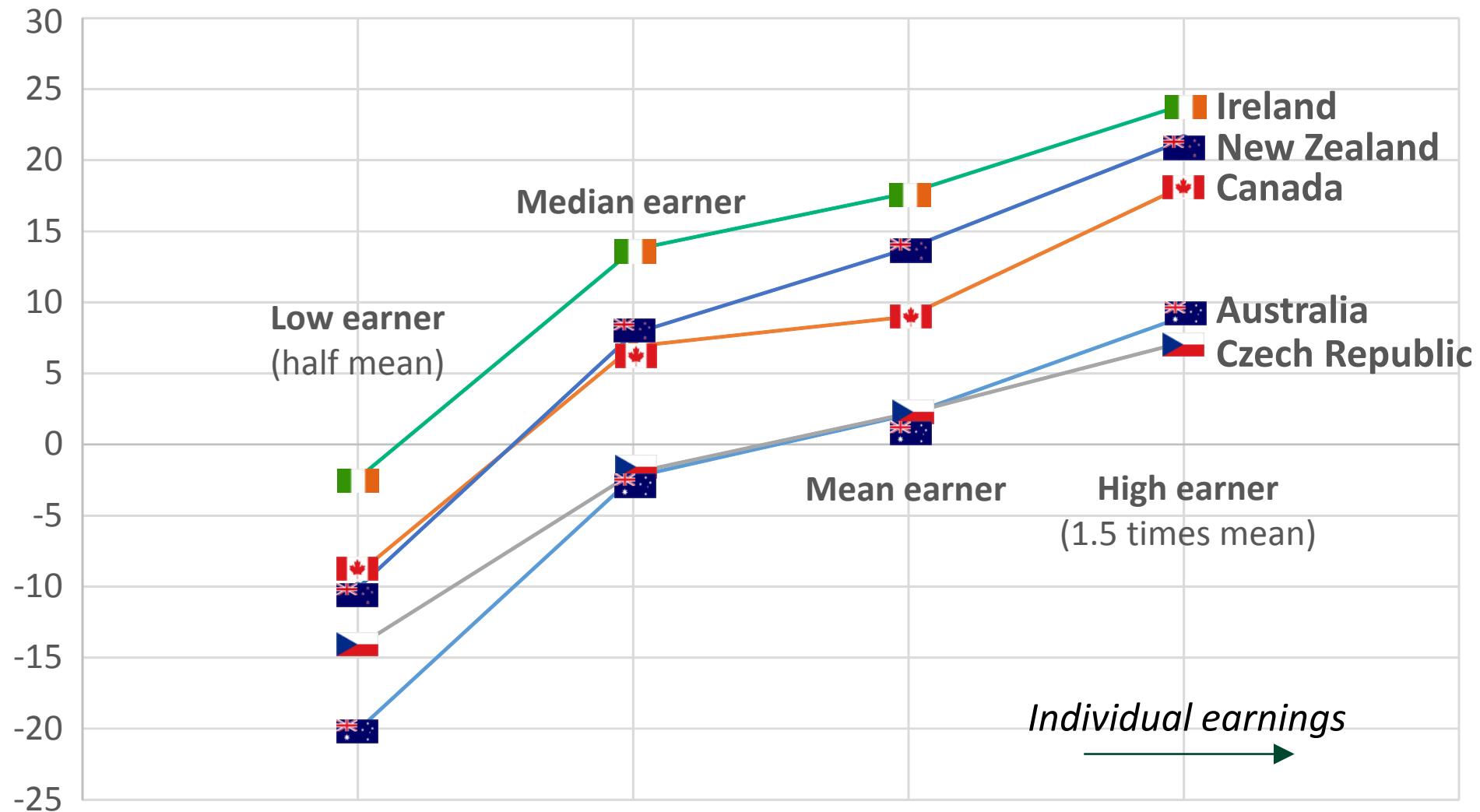


# Filling the pension gap



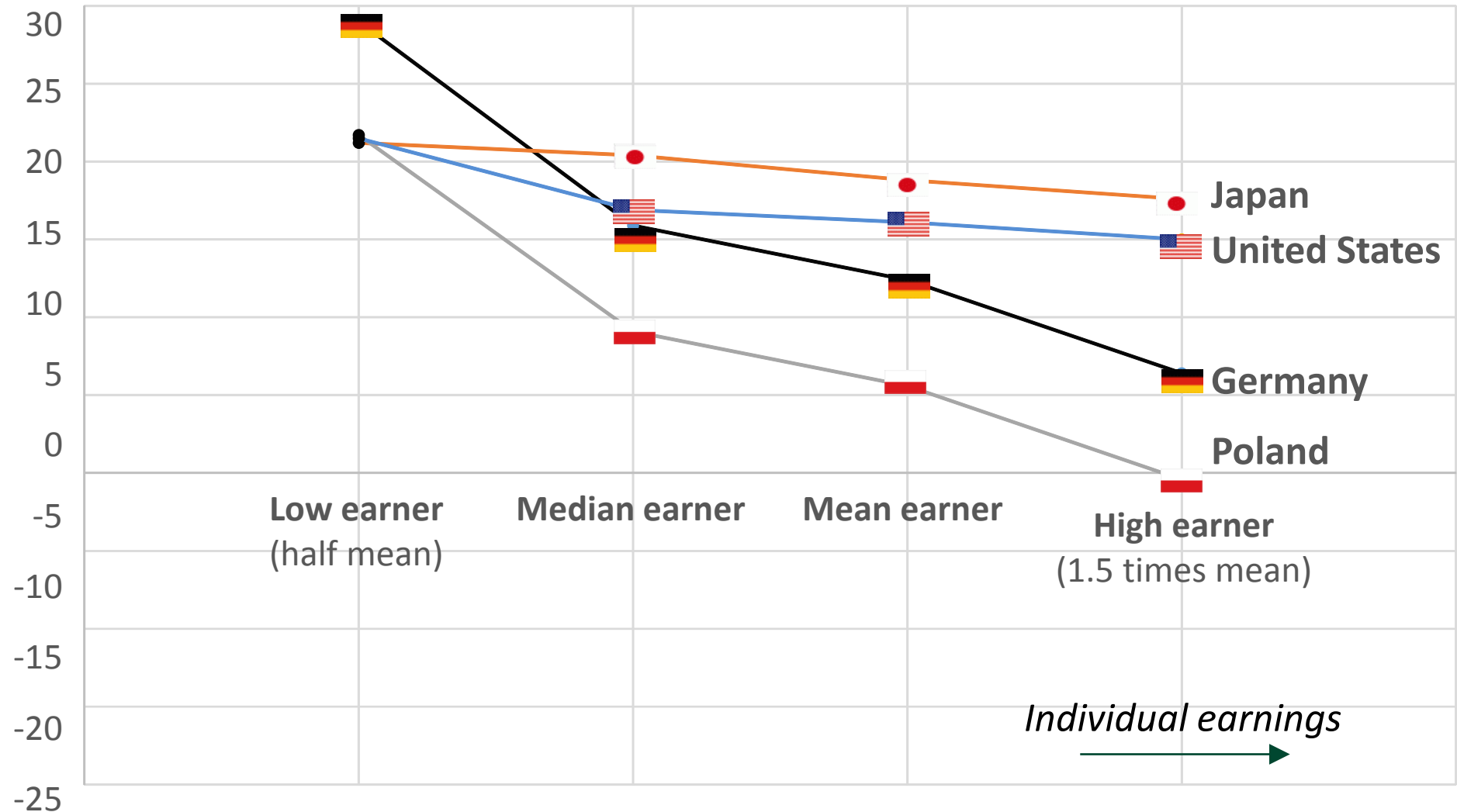
# Pension gaps by earnings

*Pension gap, percentage points of replacement rate*

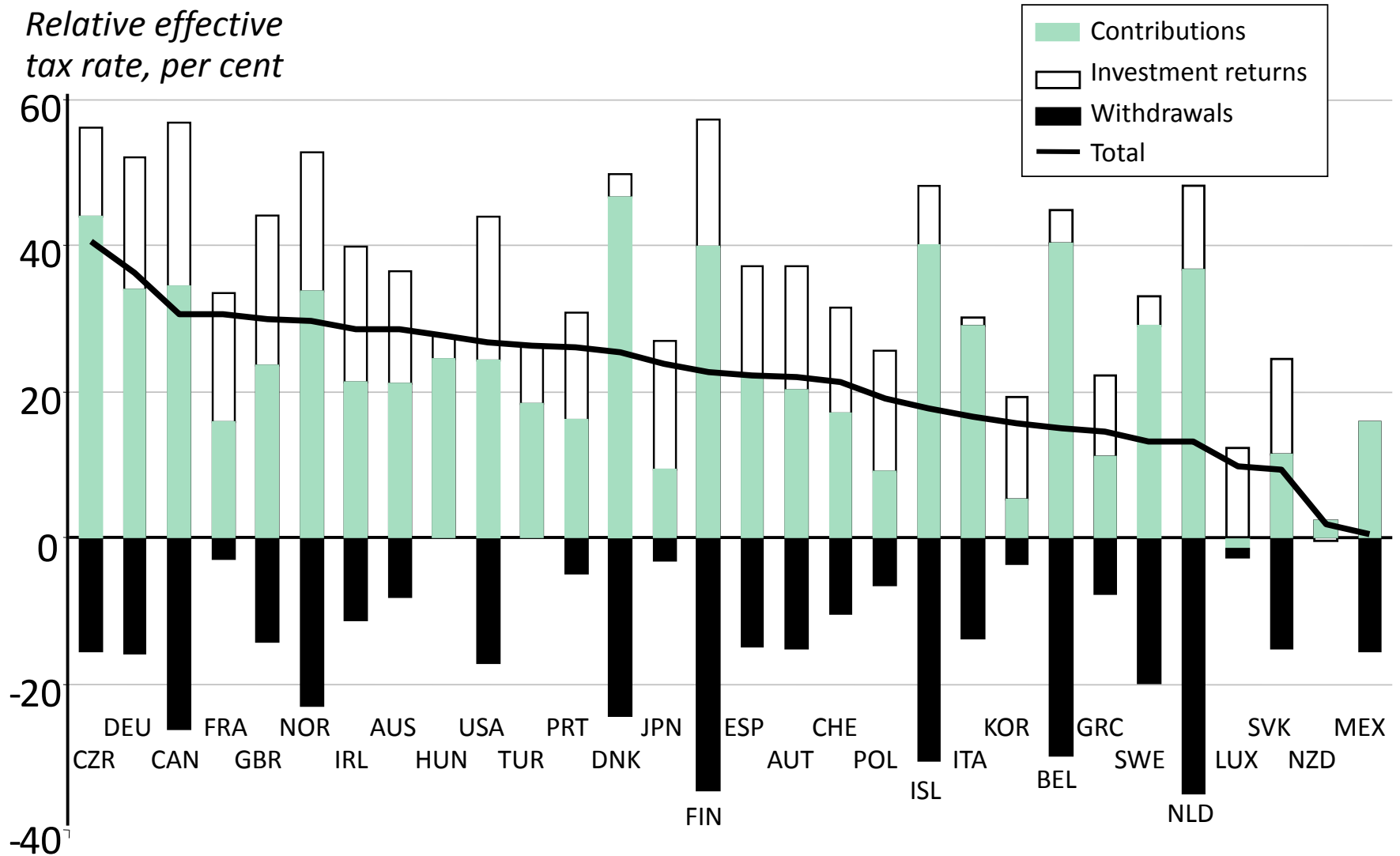


# Pension gaps by earnings

*Pension gap, percentage points of replacement rate*

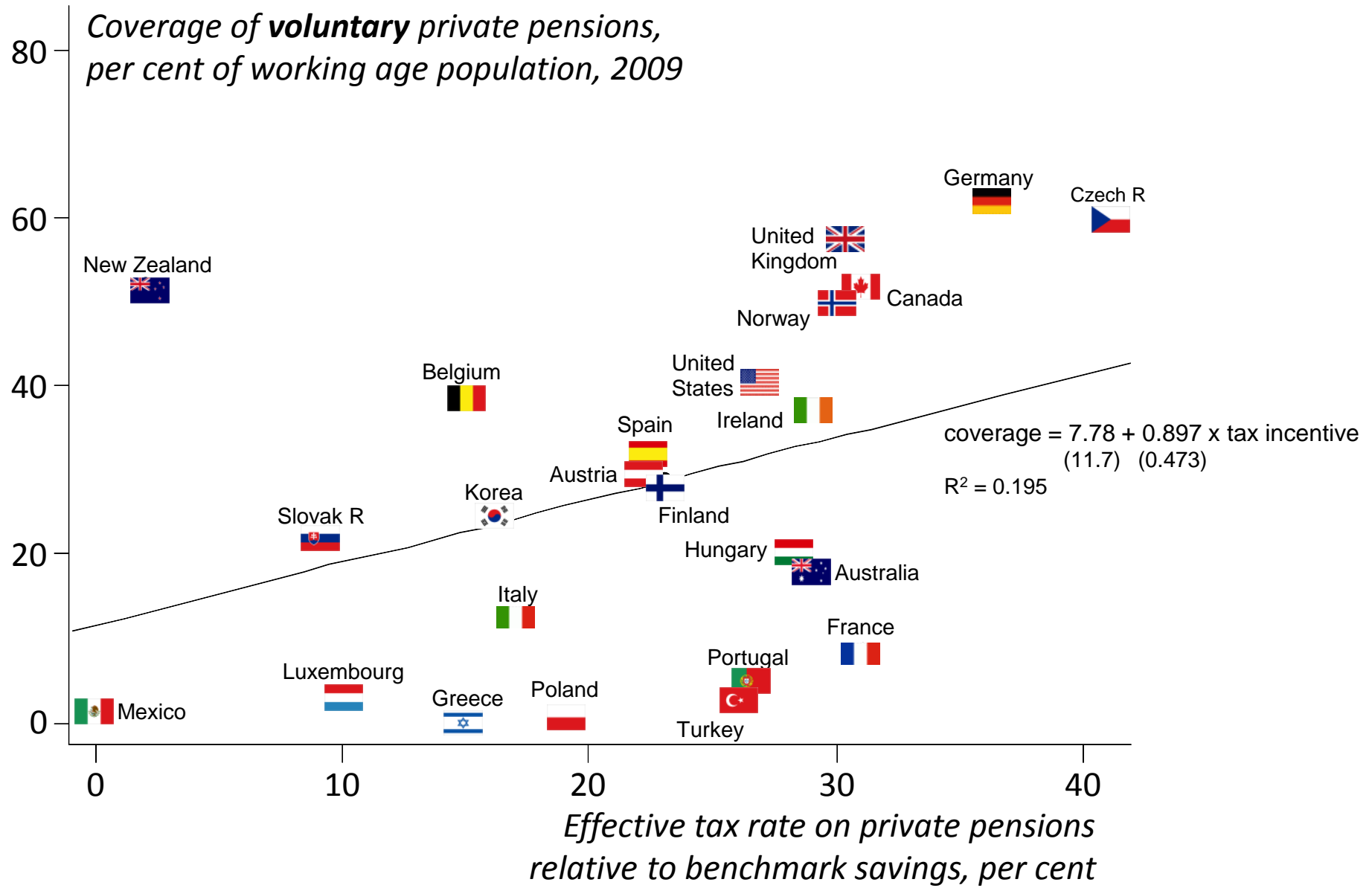


# Tax treatment of savings



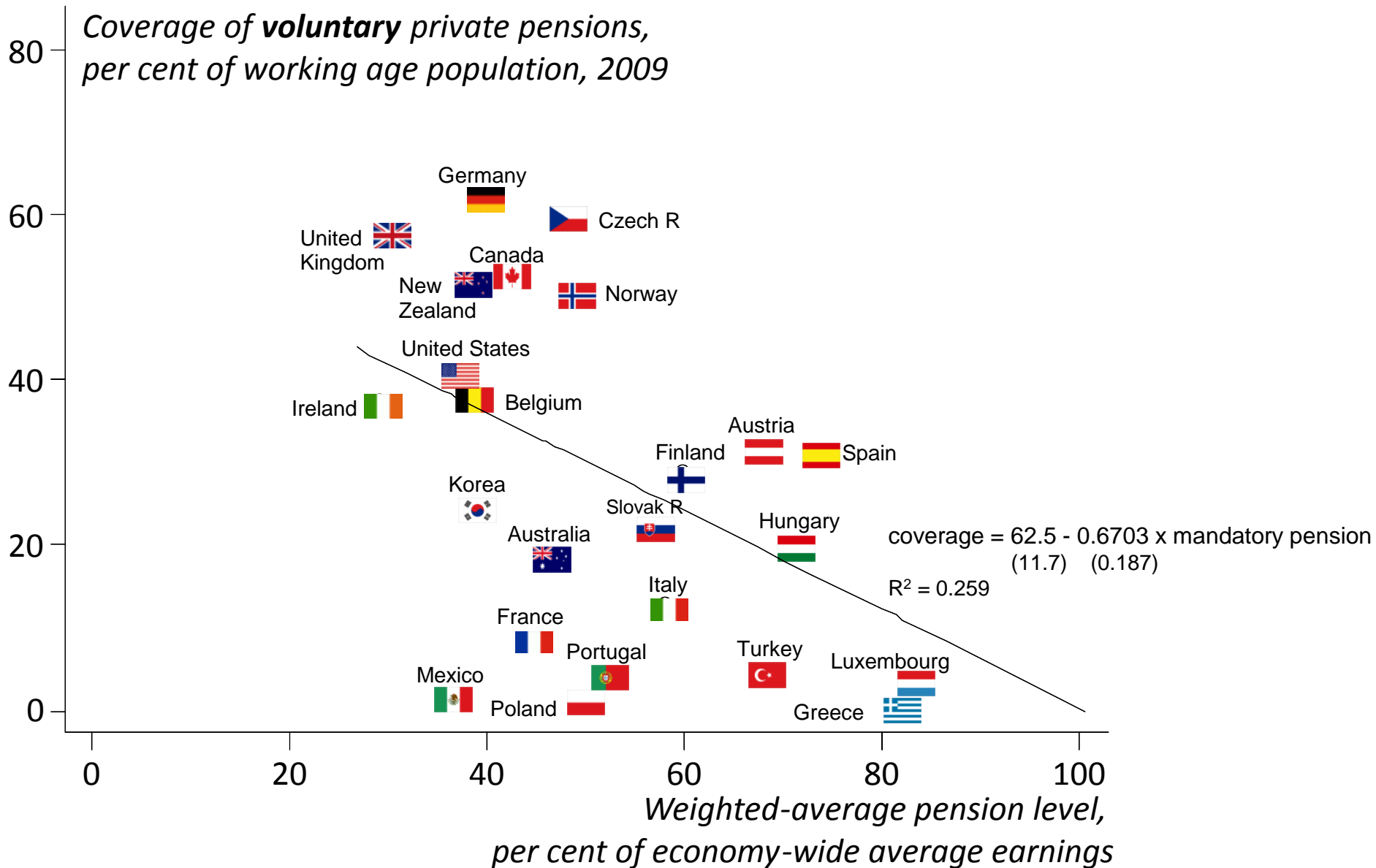
Source: Yoo, K.Y. and de A. Serres (2004), "Tax treatment of private pension savings in OECD countries", *OECD Economic Studies*, vol. 39, no. 2, pp. 73-110.

# Taxes and coverage

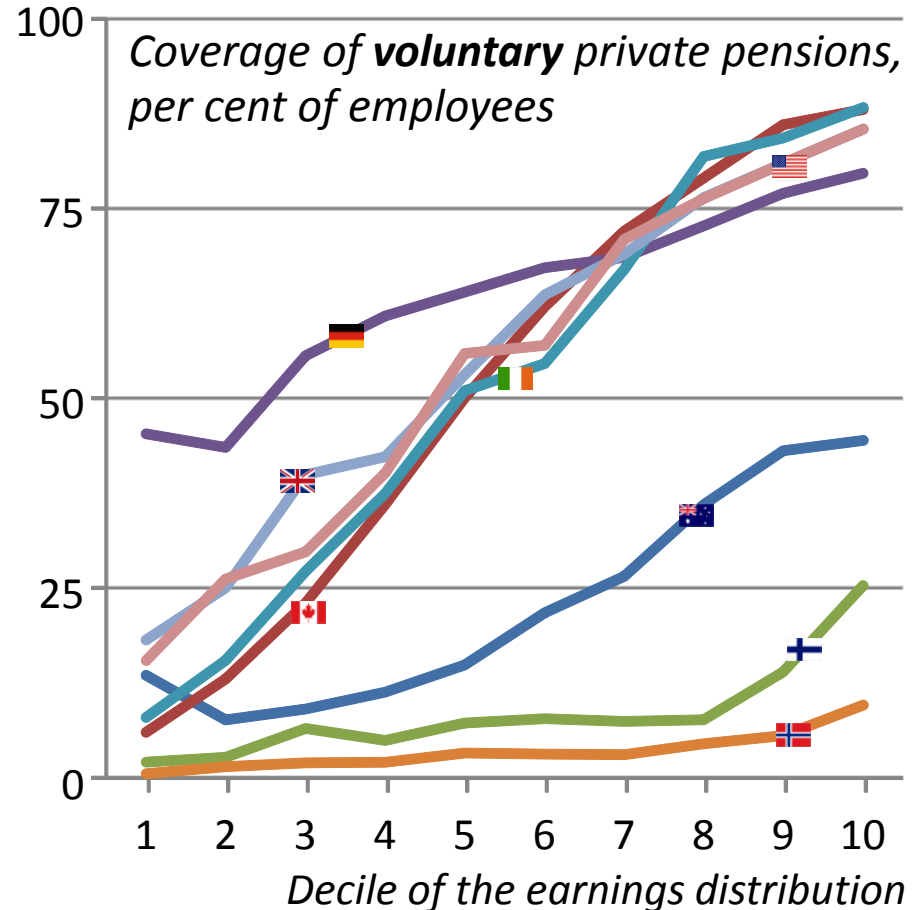
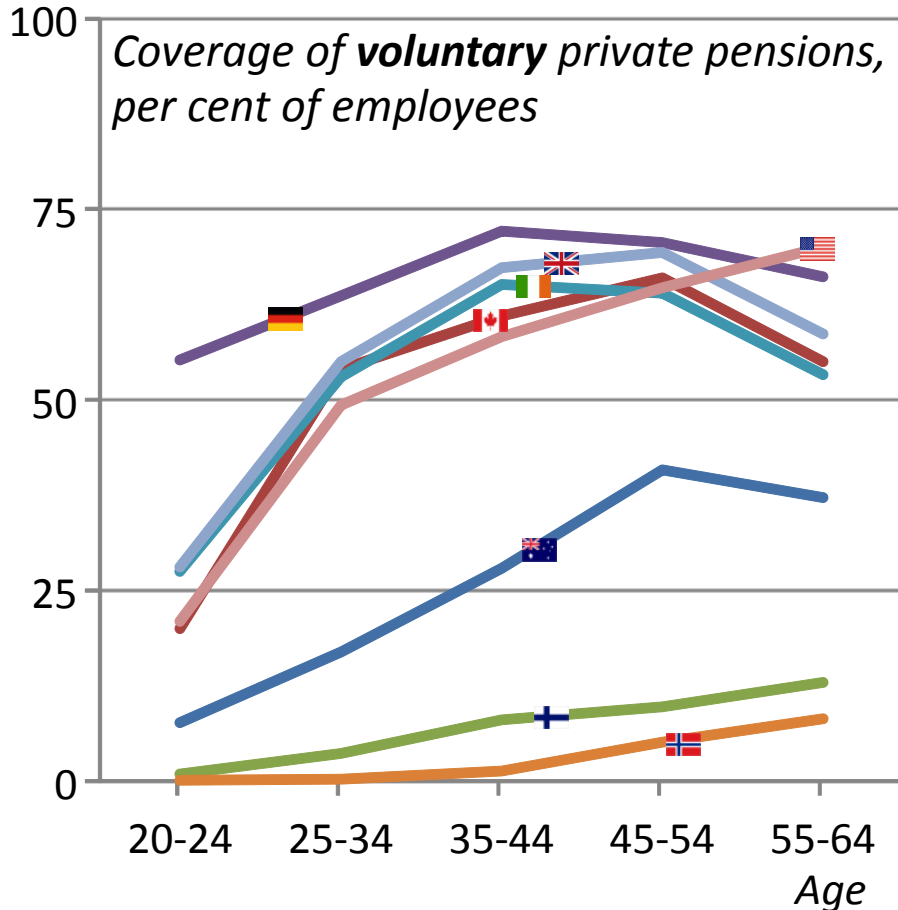




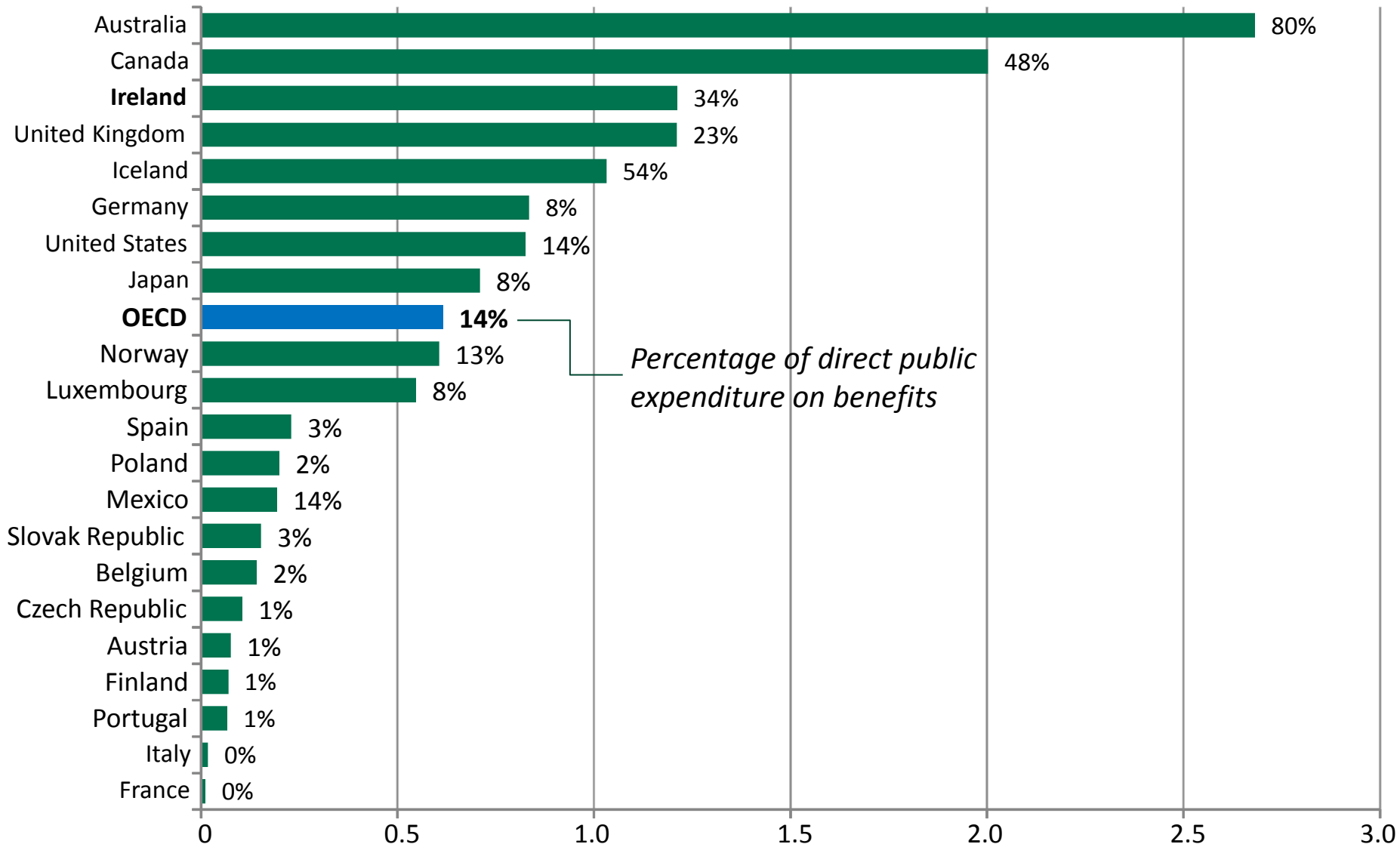
# Mandates and coverage



# Coverage patterns



# Cost of tax incentives



*Percentage of direct public expenditure on benefits*

*Revenues foregone from tax breaks for private pensions, per cent of GDP, 2007*

# Policy directions

- Size and nature of retirement-income challenge
- Reduction in/targeting of government support
- Auto enrollment
- Compulsions