The World Bank Pension Reform Primer aims to provide a comprehensive toolkit for policy makers on designing and implementing pension reform. It is based on continuously updated information from countries that have introduced reforms emphasizing the role of privately-managed individual retirement accounts. Their experience offers a number of useful lessons for policy makers elsewhere.

The World Bank set out a conceptual framework for fundamental pension reform in *Averting the Old Age Crisis: Policies to Protect the Old and Promote Growth*. This study, published in 1994, helped shape the global debate about the impact of population ageing on pension systems. The Pension Reform Primer builds on this pioneering work and on the experience of the World Bank and other international institutions. It focuses on practical questions.

**Country and regional studies**

Recent pension reforms in Eastern Europe—Hungary (introduced in 1997), and Poland (1999) Latvia and Croatia — and in Latin America—Argentina (1994), Bolivia (1997), Colombia (1994), El Salvador (1998), Mexico (1997) and Uruguay (1996)—provide a body of experience on which we can draw. The first part of the Primer is a series of 13 country and three regional studies and others in preparation.

**Issues in pension reform**

The second part of the Primer consists of notes and background papers assessing the options and the arguments in different areas of pension policy. The first set of issues are about fostering a climate for change: public information and the public's financial acumen, the political economy of reform and necessary initial conditions for reform, such as the state of capital markets. They also cover analysis of the macroeconomics of the transition to a funded pension system, and the drafting of pension reform legislation.

Pension system design is the topic of the second set of papers. This includes the coverage of the reform and whether it should be voluntary or mandatory. Other papers look at the structure and design of disability benefits, taxation of funded pensions and the role of notional defined-contribution plans. Finally, we look at guarantees of the value of funded pensions, and different options for withdrawing pension benefits and the structure of the annuities market.

The third set of papers looks at administrative, regulatory and supervisory issues. These include options for the collection of contributions and their transfer to individuals’ accounts, how to avoid evasion of pension contributions and promote compliance and structures of supervision to protect people’s contributions. We also look at the arguments for and against restricting the portfolio options of pension funds and options in managing public-sector funds.

Finally, an assortment of miscellaneous issues, which arise in the reform context but relate to a broader category of study, such as the question of retirement behavior and household savings or special issues such as sub-national public schemes.
and ways to provide incentives for lower-income workers to participate are considered.

**The Pension Reform Primer team**

Contributors to the primer are drawn from the World Bank, other international organisations, governments and regulators, academe and consulting firms. The project was supervised by a Steering Committee, chaired by Robert Holzmann, Director of Social Protection at the World Bank. Robert Palacios of the Social Protection division and Edward Whitehouse of Axia Economics acted as editors.

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**Getting hold of the Primer**

Primer papers and notes can be obtained from:
Social Protection Advisory Service
World Bank, 1818 H Street NW
Washington DC 20433
Telephone +1 202 458 5267
Fax +1 202 614 0471
E-mail: socialprotection@worldbank.org
Web: www.worldbank.org\pensions

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**Country studies**

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Regional studies

Eastern Europe/Central Asia  
*Pension Systems in Transition*  
Robert Palacios and Michal Rutkowski

Latin America  
*Second-Generation Pension Reforms in Latin America*  
Monika Queisser  
Social Protection Discussion Paper, forthcoming

Middle East/North Africa  
*Formal pension systems in low and lower-middle-income countries in the Middle East and North Africa*  
Axel Börsch-Supan and Patrizia Tumbarello

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Issues notes

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Issues papers

Implementing reform

Overview

A World Bank perspective on pension reform
Robert Holzmann
Social Protection Discussion Paper no. 9807

Transition

Financing the transition to multi-pillar
Robert Holzmann
Social Protection Discussion Paper no. 9809

Financial issues

Reporting the implicit pension debt
C. Kane and Robert Palacios

Initial conditions

Building and environment for pension reform in developing countries
Olivia Mitchell
Social Protection Discussion Paper no. 9803

Public information

Pension system design

Notional accounts

Notional accounts: microeconomic and macroeconomic aspects
Richard Disney and Anita Schwarz

Switching

The role of choice in the transition to a funded pension system
Robert Palacios and Edward Whitehouse
Social Protection Discussion Paper no. 9812

Taxation

The tax treatment of funded pensions
Edward Whitehouse

Disability

Emily Andrews

Disability pensions and social security reform: a comparative analysis based on the Argentine experience
Carlos Gruska and Gustavo Demarco
Social Protection Discussion Paper, forthcoming

Annuity markets

Annuitisng mandated retirement accumulations
John Piggott and Suzanne Doyle

Guarantees

Government guarantees on funded pension returns
George Pennachi
Social Protection Discussion Paper no. 9806
Administration and regulation

Collection  
Collecting and transferring contributions in multi-pillar pension schemes  
Rafael Rofman and Gustavo Demarco

Supervision  
Supervising mandatory pension funds: issues and challenges  
Gustavo Demarco and Rafael Rofman with contributions from Edward Whitehouse  
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Institutional arrangements for mandatory funded pension schemes  
Donald Duval

Managing public funds  
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Portfolio limits  
Does ‘Draconian’ pension regulation compromise funds performance?  
P.S. Srinivas, Edward Whitehouse and Juan Yermo

Evasion and compliance  
Michelle Riboud

Other issues

Retirement  
Richard Disney and Edward Whitehouse

Pay-as-you-go reform  
Reforming pay-as-you-go pension systems  
Sheetal Chand and Albert Jaeger
Pension Reform Primer team

Primer Editors

Robert Palacios Economist, Social Protection Division
Edward Whitehouse Consultant Economist, Social Protection Division
Director, Axia Economics, London

Steering Group Chair

Robert Holzmann Director, Social Protection Division

Steering Group

Christine Allison Lead Specialist, Human Development, Economic Development Institute
Luca Barbone Sector Manager, Macroeconomics, Africa Office
Joseph Delfico Consultant, Human Development, Economic Development Institute
Louise Fox Lead Specialist, Social Protection Division
Estelle James Lead Economist, Development Research Group
Guillermo Perry Director, Poverty Reduction and Economic Management, Latin America and Caribbean Office
Michal Rutkowski Sector Leader, Human Development, Eastern Europe and Central Asia Office
Anita Schwarz Lead Economist, Social Protection Division

Primer contributors — World Bank

Emily Andrews Senior Economist, Human Development, Eastern Europe and Central Asia Office
Herman von Gersdorff Senior Economist, Finance, Private Sector and Infrastructure Sector Management Unit, Latin America and Caribbean Office
David Lindeman Advisor, Social Protection Division
Mitchell Orenstein Consultant, Development Research Group
Montserrat Pallares-Mirales Social Protection Division
Michelle Riboud Principal Economist, Poverty Reduction and Economic Management Unit, Eastern Europe and Central Asia Office
Roberto Rocha Principal Financial Economist, Budapest Office
P.S. Srinivas Financial Economist, Finance, Private Sector and Infrastructure Sector Management Unit, Latin America and Caribbean Office
Patrizia Tumbarello Harvard University and Consultant, Social Protection Division
Juan Yermo Finance, Private Sector and Infrastructure Sector Management Unit, Latin America and Caribbean Office
Primer contributors

Axel Börch-Supan  Professor of Economics, University of Mannheim
Luis Cerda
Sheetal K. Chand  International Monetary Fund
Gustavo Demarco  Head of Control Operations, Superintendencia de Administrados de Fondos de Jubilaciones y Pensiones, Buenos Aires
Richard Disney  Professor of Economics, University of Nottingham, Research Fellow, Institute for Fiscal Studies and Director, Axia Economics, London
Suzanne Doyle  University of New South Wales
Alan Duncan  Reader in Economics, University of York and Research Associate, Institute for Fiscal Studies, London
Donald Duval  Aon Consulting, London
Marek Góra  Director, Office for Pension Reform, Warsaw
Gloria Grandolini
Carlos Grushka  Economic Studies and Statistics Unit, Superintendencia de Administrados de Fondos de Jubilaciones y Pensiones, Buenos Aires
Augusto Iglesias
Albert Jaeger  International Monetary Fund
David Miles  Professor of Economics, Imperial College, London
George Pennachi  Department of Finance, University of Illinois
John Piggott  University of New South Wales
Annika Sundén  Federal Reserve Board
Rafael Rofman  Head of Economic Studies and Statistics Unit, Superintendencia de Administrados de Fondos de Jubilaciones y Pensiones, Buenos Aires
Salvador Valdés-Prieto