IOPS COUNTRY PROFILE: GREECE

DEMOGRAPHICS AND MACROECONOMICS

<table>
<thead>
<tr>
<th>GDP per capita (USD)</th>
<th>30 200</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population (000s)</td>
<td>10 760</td>
</tr>
<tr>
<td>Labour force (000s)</td>
<td>5 050</td>
</tr>
<tr>
<td>Employment rate (%)</td>
<td>88</td>
</tr>
<tr>
<td>Population over 65 (%)</td>
<td>19.6</td>
</tr>
<tr>
<td>Dependency ratio¹</td>
<td>41.7</td>
</tr>
</tbody>
</table>

Data from 2010 or latest available year.

1. Ratio of over 65-year-olds / labour force.

Source: OECD, various sources.

GREECE: COUNTRY PENSION DESIGN

STRUCTURE OF THE PENSION SYSTEM

Public pensions

- Earnings-related public scheme with two components plus a series of minimum pensions and social safety nets. System applies to labour-market entrants from 1993.

Private pensions: occupational (voluntary)

- Occupational insurance funds
- Occupational pension plans

Private pensions: personal (voluntary)

- Simple personal pension plan
- Personal pension plan with profit sharing
- Personal pension plan with investment returns (unit-linked)

Source: OECD Global Pension Statistic
<table>
<thead>
<tr>
<th>Assets</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total investments (National currency millions)</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>24.60</td>
</tr>
<tr>
<td>Total investments, as a % of GDP</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>0.01</td>
</tr>
<tr>
<td>Of which Assets overseas, as a % of Total investment:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Issued by entities located abroad</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
</tr>
<tr>
<td>• Issued in foreign currencies</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
</tr>
<tr>
<td>By financing vehicle (as a % of Total investments)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Pension funds</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>100.00</td>
</tr>
<tr>
<td>• Book reserves</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>• Pension insurance contracts</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
</tr>
<tr>
<td>• Other financing vehicle</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>By pension plan type</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Occupational assets</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>24.60</td>
</tr>
<tr>
<td>• % of DB assets</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>0.00</td>
</tr>
<tr>
<td>• % of DC (protected and unprotected) assets</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>100.00</td>
</tr>
<tr>
<td>• Personal assets</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>0.00</td>
</tr>
<tr>
<td>Structure of Assets (as a % of Total investments)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Deposits</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>51.92</td>
</tr>
<tr>
<td>Fixed Income</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>37.22</td>
</tr>
<tr>
<td>Of which:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Bills and Bonds issued by the public and private sector</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>37.22</td>
</tr>
<tr>
<td>• Loans</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>0.00</td>
</tr>
<tr>
<td>Shares</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>5.44</td>
</tr>
<tr>
<td>Land and Buildings</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>0.00</td>
</tr>
<tr>
<td>Other Investments</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>5.41</td>
</tr>
<tr>
<td>Contributions and Benefits</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Contributions, as a % of GDP</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>0.00</td>
</tr>
<tr>
<td>• Employer Contributions, as a % of Total contributions</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>51.04</td>
</tr>
<tr>
<td>• Employee Contributions, as a % of Total contributions</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>48.95</td>
</tr>
<tr>
<td>Total Benefits, as a % of GDP</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>0.00</td>
</tr>
<tr>
<td>• % of benefits paid as a Lump sum</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>100.00</td>
</tr>
<tr>
<td>• % of benefits paid as a Pension</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>0.00</td>
</tr>
<tr>
<td>Membership (in thousands of persons)1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total membership</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>11.79</td>
</tr>
<tr>
<td>• % of Active membership</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
</tr>
<tr>
<td>• Of which: % of Deferred membership</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
</tr>
<tr>
<td>• % of Passive membership</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
</tr>
<tr>
<td>Other beneficiaries</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
</tr>
<tr>
<td>Number of Pension Funds/Plans</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total number of funds</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>3</td>
</tr>
<tr>
<td>Total number of plans</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
</tr>
</tbody>
</table>

Note: Data refer only to Greek occupational insurance funds.

1. Membership figures reflect ‘membership’ rather than ‘people’. Therefore a person may be a member of more than one types of plan at any one time, particularly if the person has a number of employments in the year.

ND = data not available
NA = data not applicable

Source: OECD, Global Pension Statistics
This social insurance system covers employees in industry, commerce, and certain urban self-employed persons (i.e. actors, newspaper vendors and chartered accountants). The contribution rate is 6.67% of earnings for employee (but increased to 8.87% if the employee is in arduous or unhealthy occupation), 13.33% for employer (but increased to 14.73% if the employee is in arduous or unhealthy occupation), and 10% for the government. There is no minimum earning limit for the contribution purposes, while there is maximum earning limit which is EUR 68,337.92 a year, or 14 monthly salaries of EUR 4,881.28 for those persons who were first insured after December 31, 1992.

In order to be eligible to pension benefits certain criteria (mainly relating to retirement age and contribution history) should be met. Such criteria are age 65 (men) or age 60 (women) with 4,500 days of contributions; age 62 (men) or age 57 (women) with 10,000 days of contributions; age 58 (men and women) with 10,500 days of contributions. The full pension is also payable at any age to the insured with at least 11,100 days of contributions and at the pensionable age to the insured with specified disabilities and at least 4,050 days of contributions. When it comes to the arduous or unhealthy employment, the age requirement is reduced.

Early retirement is possible, but only for those insured before 1 January 1993 and with pension benefit reduced accordingly, i.e. reduced by 1/267 for each month of early retirement.

The basic pension is based on the length of the insurance period and pensionable earnings in the last 5 years or (if first insured after December 31, 1992) the best 5 years in the last 10 years, whichever is greater. The basic pension is increased according to the insured's classification in one of 28 wage classes. The increase is calculated as 1% of earnings for every 300 days of contributions between 3,300 days and 7,800 days and as 1.5% to 2.5% (depending on wage class) for every 300 days beyond 7,800 days. (For persons who started working after 1993, the pension is calculated as 2% of adjusted average earnings during the last 5 years). The minimum pension for a single person is Euro 428.24 per month, while the maximum pension is Euro 3,239.

The Social Insurance Institute (IKA), as the largest Social Security Organisation in Greece, covers 5,530,000 workers and employees and provides 830,000 pensioners with retirement pension.

For self-employees, they join a separate scheme, always referred to as OAEE. Pension contributions are 20% of assessed earnings. Such assessed earnings are not the actual earnings, but adjusted notional income classes according to the year of experience. Pension rights are closely linked to both the notional income classes and contributions.

In addition, employers in Greece also provide supplementary pension schemes, which are typically contributed by 3% of wages from both employer and employee each; the corresponding replacement rate is around 20%.

Pension contributions and investments are not taxed, while the pension benefit is taxed.

The OECD estimated gross replacement rate for average worker in 2007 was 95.7%, while the net replacement rate was 110.1%, the highest in the OECD, though it should be noted that not all individuals work the full career length used in the assumptions.
In 1996 a non-contributory means-tested system (i.e. EKAS) was introduced, targeting low-income pensioners. Eligibility requires that total net income from all sources is less than € 6,562 (in 2004), total taxable income must not exceed € 7,656 and the total taxable family income less than € 11,913. The number of beneficiaries covered by this scheme in 2006 was 347,000.

**OCCUPATIONAL VOLUNTARY**

**Coverage**

Occupational insurance funds are established on a voluntary basis in companies or sectors of employment, on the initiative either of employees or employers, or by a collective agreement. The self-employed, professionals, farmers, and their trade or professional associations may also institute funds on the condition that their insured members number over 100.

As mentioned above, occupational and personal pensions are not currently widespread in Greece.

**Contributions**

Voluntary occupational pensions are defined contribution in nature.

**Taxation**

The founding statutes of occupational insurance funds provide that the totality of contributions paid in by members is exempt from income tax, while contributions from the employer are deductible from gross revenue. Pension investments are not taxed, while pension benefits are.

**MARKET INFORMATION**

**Occupational voluntary**

In 2007 three occupational insurance funds had been established in Greece. Their combined total assets at the end of 2007 were EUR 24 602 (USD 33 702), while membership stood at 11 789.

**REFERENCE INFORMATION**

**KEY LEGISLATION**

• Law 3029/2002, articles 7 and 8 (FEK 160 A/11.07.2002), which introduced occupational insurance (second pillar) in Greece.

• Law 3029/2002, article 7, paragraph 17, which sets out the tax incentives and exemptions applied in occupational insurance funds.

KEY REGULATORY AND SUPERVISORY AUTHORITIES


KEY OFFICIAL STATISTICAL REFERENCE AND SOURCES ON PRIVATE PENSIONS

Ministry of Employment and Social Protection.

OECD Est. Gross Replacement Rate
Mandatory Pensions, Average Earner 2009

Greece: 95.7
Iceland: 90.2
Netherlands: 88.3
Luxembourg: 88.1
Turkey: 86.9
Spain: 81.2
Denmark: 80.1
Austria: 80.0
Hungary: 76.9
Italy: 67.3
Sweden: 61.5
Poland: 61.2
Norway: 59.3
Switzerland: 58.3
Slovak Rep.: 56.4
Finland: 56.2
Portugal: 53.9
France: 53.3
Czech Republic: 49.7
Canada: 44.5
Germany: 43
Korea: 42.1
Belgium: 42
Australia: 41.6
USA: 38.7
New Zealand: 38.7
Mexico: 36.1
Ireland: 34.2
Japan: 33.9
UK: 30.8
Pension Fund Assets as a % GDP 2009

- Netherlands: 165.7%
- Canada: 125.0%
- Switzerland: 119.6%
- Australia: 112.4%
- Sweden: 111.8%
- Ireland: 95.9%
- Jamaica: 74.2%
- Brazil: 63.6%
- Poland: 53.1%
- Hungary: 43.1%
- Spain: 31.8%
- France: 21.6%
- Norway: 11.8%
- Slovak Republic: 6.3%
- Czech Republic: 6.0%
- Nigeria: 5.4%
- Slovenia: 5.1%
- Italy: 4.7%
- Belgium: 4.1%
- Luxembourg: 2.3%
- Greece: 0.2%
- Romania: 0.0%
- Pakistan: 0.0%
Pension contributions as a % GDP, 2009

- Finland: 9.8
- Australia: 8.9
- Switzerland: 8.4
- Iceland: 7.9
- Estonia: 6.9
- Denmark: 6.8
- Slovak Republic: 6.3
- Netherlands: 5.3
- Canada: 3.1
- Latvia: 2.4
- Israel: 2.1
- New Zealand: 1.9
- Belgium: 1.8
- Hungary: 1.7
- Poland: 1.7
- Korea: 1.5
- Costa Rica: 1.3
- Nigeria: 1.2
- Bulgaria: 1.1
- Mexico: 1.0
- Luxembourg: 0.9
- Czech Republic: 0.9
- Slovenia: 0.8
- Portugal: 0.8
- Thailand: 0.7
- France: 0.7
- Macedonia: 0.7
- Italy: 0.7
- Turkey: 0.7
- Spain: 0.7
- Brazil: 0.6
- Norway: 0.5
- Germany: 0.3
- Romania: 0.3
- Serbia: 0.1
- Albania: 0.0
- Greece: 0.0
- Pakistan: 0.0
Pension Benefits as a % GDP, 2009

- Finland: 10.5
- Iceland: 6.3
- Switzerland: 5.4
- Australia: 4.9
- Denmark: 4.8
- Netherlands: 3.9
- Belgium: 3.2
- Canada: 2.5
- New Zealand: 1.9
- Israel: 1.7
- Latvia: 1.1
- Korea: 1.1
- Portugal: 1.0
- Brazil: 0.8
- Spain: 0.6
- Thailand: 0.6
- Czech Republic: 0.5
- Norway: 0.4
- Mexico: 0.3
- Italy: 0.2
- Germany: 0.2
- Hungary: 0.2
- Costa Rica: 0.2
- Nigeria: 0.1
- Turkey: 0.1
- Bulgaria: 0.1
- Luxembourg: 0.0
- Estonia: 0.0
- Slovenia: 0.0
- Serbia: 0.0
- Poland: 0.0
- Greece: 0.0
- Macedonia: 0.0