THE DECLINE OF THE TRADITIONAL PENSION

The traditional (final- or average-salary) pension that employers have provided their employees has suffered a huge decline in labor force coverage in the United Kingdom and the United States, and less severe declines in Canada and elsewhere. The traditional pension provides a precious measure of retirement security by paying retirees an annuity for life. This study compares developments in the countries just named and in Australia, Denmark, Germany, Japan, the Netherlands, Sweden, and Switzerland to explain the forces behind the decline of the traditional pension and to contrast the experience of public-sector employer-provided plans, where it remains dominant. Given the great value of the longevity insurance that the traditional plan provides, and the risks its diminished coverage entails, the book proposes a set of measures that either stem the decline or endow defined-contribution pensions with some of the attributes of the traditional plan.

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The Decline of the Traditional Pension

A Comparative Study of Threats to Retirement Security

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For Carolyn and Marjorie
Contents

List of Tables

List of Figures

List of Boxes

Acknowledgments

Introduction

Traditional Pensions in Trouble

Chapter Outline and Plan of the Book

PART ONE

1. The Development of Employer-Provided Pensions

Introduction

General Conditions for the Development of Employer-Provided Pensions

Main Features and Recent Trends: A Ten-Country Comparison

2. The Economics of Employer-Provided Pension Plans

An Overview of the Life-Cycle Model of Saving

Important Qualifications

The Rationale for Employer-Provided Pension Plans

The Impact of Contractual Saving on Personal Saving

The Economic Effects of Different Employer-Provided Pension Plans

The Do-It-Yourself Approach to Steady Income and Longevity Insurance

Problems with the Phased-Withdrawal Approach
Contents

3. Issues in Funding and Investing 65
   Four Issues in Funding 65
   Issues in Investing for Traditional Plans 82
   Concluding Thoughts 93

   The Rationale for Regulation 94
   Activist Regulation 98
   Risk-Based Regulation of Pension Plan Balance Sheets 104
   Regulatory Forbearance When Plans Are Underfunded 112
   Conflict of Interest Issues in the Appointment of Trustees 113

5. Public-Sector Employer-Provided Pensions and Recent
   Innovations in the First Tier 115
   Public-Sector Pensions – Introduction 115
   Basic Features of Public-Sector Plans 116
   The Survival of the Traditional Pension in the Public Sector 121
   Three Current Issues for Public-Sector Plans 124
   Innovations in Public-Pension Systems 130

PART TWO

6. The Causes of Decline 139
   Introduction 139
   Some Issues of Method 139
   The Analytical Framework 141
   Analysis of the Supply-Side Influences 145
   Analysis of the Demand-Side Influences 172
   A Summing Up 177

7. Policies to Address the Decline of the Traditional Pension 179
   Introduction 179
   The Traditional Pension Plan’s Role in Broadening
      Second-Tier Coverage 180
   Addressing the Decline of the Traditional Pension 184
   Patching Up or Replacing the Traditional Pension 185
   Default Setting to Encourage Annuitization 200
   Remarks on Public-Sector Pension Plans 202
   Reforms to Tier-One Plans 203

8. Summary and Conclusions 205
   What Happened… 205
   A Basic Observation on Coverage Drawn from the Ten
      Countries’ Experiences 206
Contents

Four Issues in Funding 206
Investing 207
Regulation of Plan Design 208
Regulation of Investments 209
Why Did the Traditional Pension Fall from Favor? 209
What Needs to Be Done 210
The Range of Possible Policies 211
Recent Reforms to First-Tier Plans 213
Public-Sector Employer-Provided Plans 213
Final Thoughts 213

Appendix 1: Ten Country Profiles 215
Introduction 215
Australia 215
Canada 220
Denmark 224
Germany 227
Japan 231
The Netherlands 236
Sweden 238
Switzerland 240
United Kingdom 242
United States 248

Appendix 2: Mathematical Treatments and Derivations 255
Derivation of Certain Conclusions in Chapter 3 255
Simulating the Variability of ISA Premiums (Chapter 7) 256

Glossary 259
References 263
Index 275
Tables

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>I.1</td>
<td>Quantitative structural features of defined-benefit and defined-contribution pension plans in ten countries</td>
</tr>
<tr>
<td>1.1</td>
<td>Portability, vesting, and benefit preservation in ten countries</td>
</tr>
<tr>
<td>1.2</td>
<td>Taxation of employer-provided pensions in ten industrial countries</td>
</tr>
<tr>
<td>2.1</td>
<td>Comparative performance of the phased withdrawal rules</td>
</tr>
<tr>
<td>6.1</td>
<td>Trends in life expectancies for 65-year-old men and women in ten industrial countries</td>
</tr>
<tr>
<td>6.2</td>
<td>Selected OECD countries: Percentage share of employed persons by age with tenure of ten years or more</td>
</tr>
<tr>
<td>7.1</td>
<td>Comparative performance of a defined-contribution plan with guarantee (DC_G)</td>
</tr>
<tr>
<td>7.2</td>
<td>Frequency distribution of average and single premiums</td>
</tr>
<tr>
<td>7.3</td>
<td>Frequency distribution of replacement rate</td>
</tr>
<tr>
<td>A1.1</td>
<td>Australia: Superannuation assets by functional and regulatory classifications, June 2007</td>
</tr>
<tr>
<td>A1.2</td>
<td>Germany: Forms of employer-provided pension plans</td>
</tr>
<tr>
<td>A1.3</td>
<td>Germany: Summary of pension vehicle taxation</td>
</tr>
<tr>
<td>A1.4</td>
<td>Japan: Summary of pension-plan taxation</td>
</tr>
</tbody>
</table>
Figures

1.1 Replacement ratios in percent ........................................ page 25
2.1 Consumption over the life cycle .................................. 37
2.2 Comparison of value of pension benefit at retirement with value at early separation of a cash-balance and a traditional DB plan ........................................ 58
6.1 Performance of broad stock-market indexes in major financial centers, May 1997 to May 2008 ........................................ 149
6.2 Consumer price inflation in four large industrial countries, 1980 to 2008 ........................................ 153
6.3 U.S. real and nominal bond rates, 1963 to 2008 ......................... 154
A1.1 Canada: Plan membership and labor-force coverage ............... 221
A1.2 United Kingdom: Active plan members and labor-force coverage, 2000 to 2007 ........................................ 244
A1.3 United Kingdom: Employer-provided pension coverage by income level, 2007 ........................................ 244
A1.4 United States: Pension coverage by type of plan under current job, 1989 to 2007 ........................................ 249
A1.5 United States: Pension/retirement plan coverage by annual salary, 2007 ........................................ 249
## Boxes

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1</td>
<td>The cost of short tenures</td>
<td>51</td>
</tr>
<tr>
<td>2.2</td>
<td>Four rules for phased withdrawal</td>
<td>60</td>
</tr>
<tr>
<td>2.3</td>
<td>Assumptions used in Monte Carlo simulations of four phased-withdrawal strategies</td>
<td>61</td>
</tr>
<tr>
<td>3.1</td>
<td>Two examples of the accrued-benefit method</td>
<td>69</td>
</tr>
<tr>
<td>3.2</td>
<td>Funding with indexed debt when real-wage growth is perfectly predictable</td>
<td>76</td>
</tr>
<tr>
<td>7.1</td>
<td>Hedging against unexpected changes in longevity</td>
<td>189</td>
</tr>
<tr>
<td>7.2</td>
<td>Assumptions used in Monte Carlo simulations of the DCG plan</td>
<td>194</td>
</tr>
<tr>
<td>7.3</td>
<td>The pricing of deferred annuities</td>
<td>197</td>
</tr>
</tbody>
</table>
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I hope that *The Decline of the Traditional Pension* will contribute to the enhancing of retirement security in the countries it surveys, and perhaps in other countries as well. Despite all the help I have received, I assume full responsibility for any errors that remain in it.