

# GERMANY

Overall Index Score 66.8

Overall Index Grade B



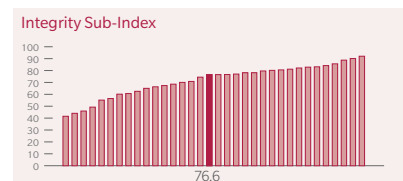
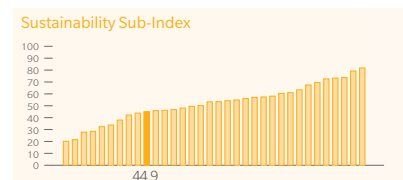
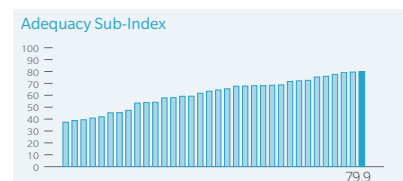
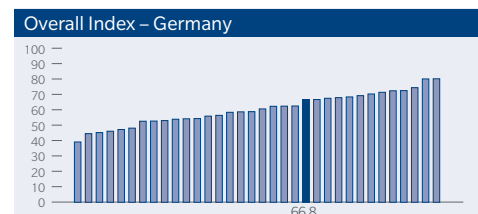
Germany's retirement income system comprises an earnings-related pay-as-you-go system based on the number of pension points earned during an individual's career; a means-tested safety net for low-income pensioners; and supplementary pension plans which are common amongst major employers. These plans typically adopt either a book reserving approach, with or without segregated assets, or an insured pensions approach.

The overall index value for the German system could be increased by:

- increasing the level of funded contributions thereby increasing the level of assets over time
- increasing the minimum pension for low-income pensioners
- continuing to increase coverage of employees in occupational pension plans
- increasing the labour force participation rate at older ages as life expectancies rise
- improving the level of communication from pension arrangements to members

The German index value increased from 63.5 in 2017 to 66.8 in 2018 due to the change from using the median income earner to the average income earner to calculate the net replacement rate in the adequacy sub-index as well as several other improvements.

## Comparison to other systems



## OVERALL INDEX HISTORICAL PERFORMANCE

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
48.2	54.0	54.2	55.3	58.5	62.2	62.0	59.0	63.5	66.8

(since country has been included in the MMGPI)

Download the full 2018 Melbourne Mercer Global Pension Index (MMGPI) Report at [www.mercer.com.au/globalpensionindex](http://www.mercer.com.au/globalpensionindex)



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