ESSPROS user presentation: Social Protection Committee

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19/11/2014
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B. Recent use/analysis of ESSPROS data by the SPC ISG and other SPC sub-groups:
   1. social protection financing (ESSPROS data by scheme)
   2. measuring early retirement (module on pension beneficiaries)
   3. crisis monitoring (extension of ESSPROS to other beneficiaries)

C. Main demands for additional developments
A. Introduction:

• The Social Protection Committee (SPC)
  o EU-Advisory Committee (art. 160 TFEU)
  o Monitoring social situation-discussion of social policies
  o Prepares council discussions on social policy and the European Semester
  o Produces opinions on the request of the Council, the Commission or at own initiative
A. Introduction (2)

- **Use of ESSPROS in SPC work**
  - Indicators in Portfolio of EU-Social Indicators:
    - Total social protection expenditure (% of GDP)
    - Total current pension expenditure (% of GDP)
  - Analysis of ESSPROS data for possible use in recent work:
    - Efficiency and effectiveness of social spending and financing arrangements
    - Pension beneficiaries
    - Crisis monitoring: additional benefit recipients
B. Use of ESSPROS data (1): social protection financing

- Part of SPC report on financing, effectiveness and efficiency of social protection systems

- Use of ESSPROS data on social protection receipts to describe financing arrangements

- First use of ESSPROS scheme level information

- Detailed information on scheme characteristics used for an analysis by policy area
Social protection financing by policy area

Old Age

Health Care

Legend:
- SC Employers
- SC Protected P.
- General Revenue
- Earmarked Taxes
- Other
B. Use of ESSPROS data (1): social protection financing

Scope for further exploitation of scheme level data:

- Separate analysis for public vs. private schemes
- Time trends (longer time series)
- Data by scheme not yet available for all Member States
B. Use of ESSPROS data (2): module on pension beneficiaries

- Data on the number of pension beneficiaries in the Member States, collected annually since 2006
- Seven types of pensions are distinguished
## The module on pension beneficiaries

<table>
<thead>
<tr>
<th>ESSPROS function</th>
<th>Category</th>
<th>Description: periodic payments...</th>
</tr>
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<tbody>
<tr>
<td><strong>Old age</strong></td>
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<td></td>
<td>Anticipated old age pension</td>
<td>to maintain the income of beneficiaries who retire before the legal/standard age as established in the relevant scheme</td>
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<td></td>
<td>Partial retirement pension</td>
<td>of a portion of the full retirement pension to older workers who continue to work but reduce their working hours or whose income from a professional activity is below a set ceiling.</td>
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<td><strong>Survivors</strong></td>
<td>Survivors’ pension</td>
<td>to people whose entitlement derives from their relationship with a deceased person protected by the scheme</td>
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<td><strong>Disability</strong></td>
<td>Disability pension</td>
<td>to maintain or support the income of someone below the legal/standard retirement age who suffers from a disability which impairs his or her ability to work or earn beyond a minimum level</td>
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<td>Early retirement (work capacity)</td>
<td>to older workers who retire before reaching the legal/standard retirement age as a result of reduced ability to work</td>
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<td><strong>Unemployment</strong></td>
<td>Early retirement (labour market reasons)</td>
<td>to older workers who retire before reaching the legal/standard retirement age due to unemployment or to job reduction caused by economic measures</td>
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The module on pension beneficiaries

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Additionally, disaggregation into
- non means-tested vs. means-tested,
- male and female beneficiaries available for
  i. all beneficiaries
  ii. the four ESSPROS functions
  iii. the seven categories
## 'Standard' vs. 'early retirement' beneficiaries

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Proposal: distinction of beneficiaries that receive benefits

(i) after reaching retirement age

(ii) before reaching retirement age
Measuring the magnitude of early retirement – methodological issues

- Link the number of 'early retirement' beneficiaries to demography
  - Share older workers that receive a pension before reaching retirement age
  - Reference Population: people between age 50 and legal retirement age (LRA)

Methodological concerns:

1. Double counting when aggregating across functions
2. Survivors’ (& partial pension) beneficiaries below LRA not covered
3. Inclusion of pension beneficiaries living abroad (for the moment collected as voluntary information)
4. Cross-country comparability of aggregated statistics/ indicators ("average pension")
B. Possible extension of ESSPROS data (3): crisis monitoring-benefit recipients

- ISG started an **ad hoc collection** on benefit recipients directly from Member States, to have more **timely** information on impact of **crisis**
- MS send data on numbers of: social assistance, unemployment, early retirement, disability benefit recipients
- **Use:**
  - More timely information on social situation
  - Better understanding of social outcomes
  - Assessing the performance of social protection systems
Possible extension of ESSPROS data (3): crisis monitoring-benefit recipients (2)

Some outcome (in 2013 SPC report)

- Mixed trends in unemployment benefit recipients
- Pressure on social assistance schemes persists
- Few countries show combined pressure on both unemployment and social assistance benefits
- 3 MS show a shift towards social assistance schemes
- 4 MS show downward trend in both unemployment and social assistance recipients
Possible extension of ESSPROS data (3): crisis monitoring-benefit recipients (3)

- Aspects of ISG collection to be analysed.
  - Lack of consistency in definition of benefit categories between Member States
    Eg. Treatment of early retirement, social assistance, etc.
  - Can ESSPROS framework be used to improve ISG exercise?
    Can Eurostat extend the beneficiary data collection from pensioners (existing module) to the "ISG priority" benefits?
C. Main demands for additional developments

Summary of ESSPROS main developments/improvements according to the analysis areas:
1. social protection financing (ESSPROS data by scheme)
2. measuring early retirement (module on pension beneficiaries)
3. crisis monitoring (extension of ESSPROS to other beneficiaries)
Data by scheme

Scope for further exploitation of scheme level data:

- Dissemination of data by category of schemes (especially "public" vs. "private")

- Improve accessibility of data by scheme (especially longer time series)

- Improve geographical coverage of data by scheme (not yet available for all Member States)
Improvements to existing ESSPROS data

• Additional policy relevant pension benefit categories:
  o Benefits/beneficiaries after retirement age vs early retirement
  o Break-down by resident/non-resident becomes increasingly relevant from a policy perspective given rising cross-border mobility in the EU

• How to disentangle non-relevant information – how to include relevant information
  o E.g. education expenditure in family benefits/’other benefits’ for elderly
New data/indicators related to social protection

- **Information on number of beneficiaries other than pension beneficiaries:**
  - Unemployment
  - Disability
  - Social assistance

- **Average pension benefit amounts: linking expenditure with number of beneficiaries**
  (but need to tackle methodological issues first)

- **Separate presentation tool for ESSPROS long-term care related data and in-kind benefits**