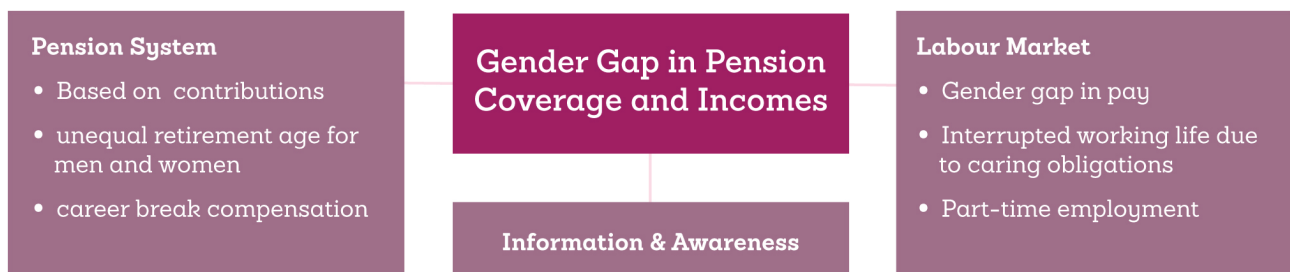


Policy Document 4: Gender, Pensions and Pension Planning

Across European countries, a critical problem is the pervasive gender inequality in pensions that results in increased likelihood of poverty in old age for women. Across different pension regimes within the EU-28, the gender gap in pension income is 36% in 2016. Equally problematic is the lack of coverage for women in terms of both occupational and private pension schemes. More worrying is that research indicates that today's gender gap in pensions is likely to be sustained into the future, both due to labour market differences and pension system design.

There is deep understanding of factors contribute to the gap that exists between women and men regarding pension income and pension coverage. There is broad consensus that the gender gap in pensions is an outcome of gender and social norms that underlie both the labour market and pension system design as well as the lower level of information and awareness among women on the pension system.

Figure 1: Factors Influencing Gender Gap in Pension Coverage and Incomes



Promising Practice

Examples of promising practice that address some of the underlying dynamics that fuel gender inequality as well as promote effective pension planning include the following:

- **Care Credits:** In France pension credit for childbearing as well as child care.
- **Awareness Campaigns:** To tackle the greater lack of knowledge and awareness that women have regarding pension planning, Germany has specific section §10.2 in the Equal Opportunity Law of the German Federal State of Berlin (Landesgleichstellungsgesetz Berlin) stipulates

that employees have to be informed about negative impacts of reducing working time if they apply for a reduction of working time.

- **Pension Literacy:** Apart from broad awareness raising campaigns, in Croatia elective courses were integrated into educational institutions at all levels from schools to universities.
- **Universal Old Age Pensions:** New Zealand's superannuation scheme provides a flat universal pension on basis of residency than contributions and thus inherently gender neutral in outcome.

Recommendations

Member States Commit to basic universal pension funded out of general revenue to ensure that a basic safety net is provided to all irrespective of work history.

Member States Align increase in pension age with employment and wage policies (including reducing gender pay gap) that facilitate older women's ability to continue in employment and make adequate PAYG contributions.

Member States Commit to regular updates on pension contributions with gender sensitive projections on impacts of employment choices and decisions.

Member States Ensure accessible and affordable childcare and other care support to enable women's full participation in the labour market.

Member States Include pension coverage in the calculations of costs when contracting out social services where labour force costs tend to be minimized.

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