

# WBL Methodology Workshop



WORLD BANK GROUP





# Pension

# Pension – Motivation



Pandemic Deepened Gender Divide in Retirement Readiness, TIAA Survey Shows



# Pension – Motivation



- Gender **differences in career trajectories**, particularly those stemming from interruptions for caregiving or household responsibilities, have a profound effect on old-age pension amounts.
- **Early retirement** can exacerbate the gender gap in pension levels and heighten women's risk of poverty in old age.
- **Survivor pension benefits** support families after the loss of a wage earner, with women as primary beneficiaries due to their longer life expectancy (Lis and Bonthuis 2019).



# Pillar I – Pension Legal Frameworks



01

Are the ages at which a woman and a man can retire the same?

## Underlying questions

- Are the ages at which a woman and a man can retire with full pension benefits the same?
- Are the ages at which a woman and a man can retire with partial pension benefits the same?

02

Is the mandatory retirement age for a woman and a man the same?

- No underlying data points

03

Are periods of absence due to childcare accounted for in the calculation of pension benefits?

- No underlying data points

04

Does the law mandate equal survivor benefits for spouses?

- Does the law specify equal eligibility criteria for widows and widowers to access survivor pension benefits?
- Does the law specify an equal minimum age at which spouses can receive survivor benefits?
- Does the law specify that benefit payments are paid in installments for widows and widowers?



# Pillar I – Pension Legal Frameworks – I.10.1



	Points	Rescaled Maximum Score
I.10.1 Are the ages at which a woman and a man can retire the same?	0 - 1	25
I.10.1.1 Are the Ages at Which a Woman and a Man Can Retire with Full Pension Benefits the Same?	Fractional scoring from 0 (age gap of 5 years or more) to 0.5 point (no age gap) on a linear function	
I.10.1.2 Are the Ages at Which a Woman and a Man Can Retire with Partial Pension Benefits the Same?	Fractional scoring from 0 (age gap of 5 years or more) to 0.5 point (no age gap) on a linear function	

## I.10.1.1 Are the Ages at Which a Woman and a Man Can Retire with Full Pension Benefits the Same?

Question I.10.1.1 is assigned:

- ▶ **A score of 0.5:** if the ages at which a woman and a man can retire and receive full pension benefits is the same.
- ▶ **A score of 0:** if the difference in ages is equal to or greater than 5 years.
- ▶ **A score calculated using a linear function:** if the difference in ages is greater than zero and less than 5 years. The score calculated using a linear function indicates that as the age gap between men and women decreases, the score increases.

## I.10.1.2 Are the Ages at Which a Woman and a Man Can Retire with Partial Pension Benefits the Same?

Question I.10.1.2 is assigned

- ▶ **A score of 0.5:** if the ages at which a woman and a man can retire and receive partial pension benefits is the same.
- ▶ **A score of 0:** if the difference in ages is equal to or greater than 5 years.
- ▶ **A score calculated using a linear function:** if the difference in ages is greater than zero and less than 5 years. The score calculated using a linear function indicates that as the age gap between men and women decreases, the score increases.

# Pillar I – Pension Legal Frameworks – I.10.2



	Points	Rescaled Maximum Score
I.10.2 Is the Mandatory Retirement Age for a Woman and a Man the Same?	Fractional scoring from 0 (age gap of 5 years or more) to 1 point (no age gap) on a linear function	25

Indicator I.10.2 is assigned:

- ▶ **A score of 1:** if the mandatory retirement age is the same for a woman and a man.
- ▶ **A score of 0:** if the difference in ages is equal to or greater than 5 years.
- ▶ **A score calculated using a linear function:** if the difference in ages is greater than zero and less than 5 years. The score calculated using a linear function indicates that as the age gap between men and women decreases, the score increases.

The threshold of 5 years was selected because it corresponds to the 95th percentile of observed age differences derived from the *Women, Business and the Law* 2024 data set across 190 economies.

# Pillar I – Pension Legal Frameworks – I.10.3



	Points	Rescaled Maximum Score
I.10.3 Are Periods of Absence Due to Childcare Accounted for in the Calculation of Pension Benefits?	0 or 1	25

Indicator I.10.3 is assigned a score of 1 if one of the following three conditions is met:

- ▶ Pension contributions are paid or credited during maternity or parental leave or the leave period is considered a qualifying period of employment used for the purpose of calculating pension benefits; OR
- ▶ There are mechanisms to compensate for any gaps in contributions due to maternity or parental leave and to ensure that the leave period does not reduce the assessment base for pension amounts; OR
- ▶ There are no mandatory contributory pension schemes, but there is a noncontributory universal social pension (that is, independent of contributions and income level).

For the conditions in indicator I.10.3 to be assessed, the woman in question is considered to have ceased all paid activity during periods of childcare. If the period covered by a pension credit is conditioned on the age of the child, the period until the child reaches age 1 is counted.



# Pillar I – Pension Legal Frameworks – I.10.4



	Points	Rescaled Maximum Score
<b>I.10.4 Does the Law Mandate Equal Survivor Benefits for Spouses?</b>	0 - 1	25
I.10.4.1 Does the law specify equal eligibility criteria for widows and widowers to access survivor pension benefits?	0 or 0.33	
I.10.4.2 Does the law specify an equal minimum age at which spouses can receive survivor benefits?	0 or 0.33	
I.10.4.3 Does the law specify that benefit payments are paid in installments for widows and widowers?	0 or 0.33	

A score is only assigned for each of questions I.10.4.1, I.10.4.2, and I.10.4.3 if one of the following three conditions is met:

- ▶ The law mandates the provision of benefits for surviving spouses; OR
- ▶ If survivor benefits are not mandated, a surviving spouse can inherit the deceased spouse's pension capital by nomination or either by default or legal order of succession or is eligible to receive the deceased spouse's pension capital by default or legal order of succession; OR
- ▶ There are no mandatory contributory pension schemes, but there is a noncontributory universal social pension (that is, independent of contributions and income level).

## I.10.4.1 Does the law specify equal eligibility criteria for widows and widowers to access survivor pension benefits?

Question I.10.4.1 is assigned a score of 0.33 if the law specifies equal eligibility criteria for widows and widowers to receive survivor pension benefits.

Eligibility criteria may include cause and time of death, duration of marriage, marital status, age, disability status, children in common, and caretaking status, among others.

## I.10.4.2 Does the law specify an equal minimum age at which spouses can receive survivor benefits?

Question I.10.4.2 is assigned a score of 0.33 if the law specifies an equal minimum age at which widows and widowers can receive survivor pension benefits.

## I.10.4.3 Does the law specify that benefit payments are paid in installments for widows and widowers?

Question I.10.4.3 is assigned a score of 0.33 if the law specifies that benefit payments are paid in installments for widows and widowers (that is, not disbursed as a lump sum).

# Pillar II – Pension Supportive Frameworks



01

Are incentives in place to increase women's pension benefits?

## Underlying questions

- No underlying data points

02

Is a procedure in place for pension beneficiaries to challenge the decisions of the competent authority regarding their benefits?

- No underlying data points

03

Are awareness measures in place to improve access to information about pensions?

- No underlying data points

04

Does the government publish anonymized sex-disaggregated data on actual retirement ages and actual amounts of pension benefits?

- Does the government publish sex-disaggregated data on actual retirement ages?
- Does the government publish sex-disaggregated data on the actual amount of received pension benefits?

## Pillar II – Pension Supportive Frameworks – II.10.1



	Points	Rescaled Maximum Score
II.10.1 Are Incentives in Place to Increase Women's Pension Benefits?	0 or 1	25

Indicator II.10.1 is assigned a score of 1 if there are laws or policies in place that provide incentives to increase a woman's pension benefits.

In this indicator, "incentives" include, but are not limited to, tax breaks for voluntary savings, contributions that can be carried forward, a subsidy to join the pension scheme early, financial incentives for those with a low income, or other payments and concessions.

## Pillar II – Pension Supportive Frameworks – II.10.2



	Points	Rescaled Maximum Score
II.10.2 Is a Procedure in Place for Pension Beneficiaries to Challenge Decisions of the Competent Authority Regarding Their Benefits?	0 or 1	25

Indicator II.10.2 is assigned a score of 1 if the following three conditions are met:

- ▶ There is a mandatory pension system; AND
- ▶ The system is operational; AND
- ▶ There is a judicial or administrative procedure for pension beneficiaries to challenge the decisions of the competent authority about their benefits.

## Pillar II – Pension Supportive Frameworks – II.10.3



	Points	Rescaled Maximum Score
II.10.3 Are Awareness Measures in Place to Improve Access to Information about Pensions?	0 or 1	25

Indicator II.10.3 is assigned a score of 1 if the following three conditions are met:

- ▶ There is a mandatory pension system; AND
- ▶ The system is operational; AND
- ▶ The information has been released or updated within the past five years preceding the data collection cut-off date..

In this indicator, “awareness measures” include but are not limited to detailed information on pensions or financial security in retirement that is published on a government website (in the language spoken by the majority) or government-led initiatives such as learning activities, programs, or informational materials.

# Pillar II – Pension Supportive Frameworks – II.10.4



	Points	Rescaled Maximum Score
II.10.4 Does the Government Publish Anonymized Sex-Disaggregated Data on Actual Retirement Ages and Actual Amounts of Pension Benefits?	0 - 1	25
II.10.4.1 Does the government publish sex-disaggregated data on actual retirement ages?	0 or 0.5	
II.10.4.2 Does the government publish sex-disaggregated data on the actual amounts of received pension benefits?	0 or 0.5	

## II.10.4.1 Does the government publish sex-disaggregated data on actual retirement ages?

Question II.10.4.1 is assigned a score of 0.5 if the following three conditions are met:

- ▶ A public entity, such as the national statistical office or social security administration, publishes anonymized sex-disaggregated data on actual retirement ages; AND
- ▶ The data were published within the past three years preceding the data collection cut-off date; AND
- ▶ The data are presented in a structured and comprehensive table format, suitable for analysis and interpretation, either on a government-associated website or in an associated report. Data can be presented in either exact figures or percentages. Data presented in descriptive summary format only, or only available in secondary sources such as press releases or generalized statements about retirees' ages, are insufficient.



# Pillar II – Pension Supportive Frameworks – II.10.4



	Points	Rescaled Maximum Score
II.10.4 Does the Government Publish Anonymized Sex-Disaggregated Data on Actual Retirement Ages and Actual Amounts of Pension Benefits?	0 - 1	25
II.10.4.1 Does the government publish sex-disaggregated data on actual retirement ages?	0 or 0.5	
II.10.4.2 Does the government publish sex-disaggregated data on the actual amounts of received pension benefits?	0 or 0.5	

## II.10.4.2 Does the government publish sex-disaggregated data on the actual amounts of received pension benefits?

Question II.10.4.2 is assigned a score of 0.5 if the following three conditions are met:

- ▶ A public entity, such as the national statistical office or social security administration, publishes anonymized sex-disaggregated data on actual amounts of received pension benefits; AND
- ▶ The data were published within the past three years preceding the data collection cut-off date; AND
- ▶ The data are presented in a structured and comprehensive table format, suitable for analysis and interpretation, either on a government-associated website or in an associated report. Data can be presented in either exact figures or percentages. Data presented in descriptive summary format only, or only available in secondary sources, such as press releases or generalized statements about retirees' pension benefits, are insufficient.

# Pillar III – Pension Enforcement Perceptions



01

In your opinion, to what extent do public authorities enforce existing legislation on retirement ages and benefits in practice?

02

In your opinion, to what extent do public authorities enforce existing legislation establishing mandatory retirement ages in practice?

03

In your opinion, to what extent do public authorities enforce existing legislation accounting for periods of absence due to childcare in pension benefits in practice?

04

In your opinion, to what extent do public authorities enforce existing legislation mandating equal survivor benefits for spouses in practice?

## Likert Scale Responses

- Not at all enforced
- Rarely enforced
- Moderately enforced
- Mostly enforced
- Fully enforced

# Pillar III – Pension Enforcement Perceptions – III.10.1



The Enforcement Perception question III.10.1 is displayed according to the score of I.10.1 Are the ages at which a woman and a man can retire the same?

If the score is 0:

No Enforcement Perception question is asked.

The economy obtains a score of 0 on indicator III.10.1

If the score is greater than 0:

III.10.1 In Your Opinion, To What Extent Do Public Authorities **Enforce** Existing Legislation on Retirement Ages and Benefits in Practice?

Likert Scale	Scores (0-4)	Weighted Score (0-100)
Not at all enforced	0	0
Rarely enforced	1	25 multiplied by question score for I.10.1
Moderately enforced	2	50 multiplied by question score for I.10.1
Mostly enforced	3	75 multiplied by question score for I.10.1
Fully enforced	4	100 multiplied by question score for I.10.1

# Pillar III – Pension Enforcement Perceptions – III.10.2



The Enforcement Perception question III.10.2 is displayed according to the score of I.10.2 Is the mandatory retirement age for a woman and a man the same?

If the score is 0:

No Enforcement Perception question is asked.

The economy obtains a score of 0 on indicator III.10.2

If the score is greater than 0:

III.10.2 In Your Opinion, To What Extent Do Public Authorities **Enforce** Existing Legislation Establishing Mandatory Retirement Ages in Practice?

Likert Scale	Scores (0-4)	Weighted Score (0-100)
Not at all enforced	0	0
Rarely enforced	1	25 multiplied by question score for I.10.2
Moderately enforced	2	50 multiplied by question score for I.10.2
Mostly enforced	3	75 multiplied by question score for I.10.2
Fully enforced	4	100 multiplied by question score for I.10.2

# Pillar III – Pension Enforcement Perceptions – III.10.3



The Enforcement Perception question III.10.3 is displayed according to the score of I.10.3 Are periods of absence due to childcare accounted for in the calculation of pension benefits?

If the score is 0:

No Enforcement Perception question is asked.

The economy obtains a score of 0 on indicator III.10.3

If the score is greater than 0:

**III.10.3** In Your Opinion, To What Extent Do Public Authorities **Enforce** Existing Legislation Accounting for Periods of Absence Due to Childcare in Pension Benefits in Practice?

Likert Scale	Scores (0-4)	Weighted Score (0-100)
Not at all enforced	0	0
Rarely enforced	1	25 multiplied by question score for I.10.3
Moderately enforced	2	50 multiplied by question score for I.10.3
Mostly enforced	3	75 multiplied by question score for I.10.3
Fully enforced	4	100 multiplied by question score for I.10.3

# Pillar III – Pension Enforcement Perceptions – III.10.4



The Enforcement Perception question III.10.4 is displayed according to the score of I.10.4 Does the law mandate equal survivor benefits for spouses?

If the score is 0:

No Enforcement Perception question is asked.

The economy obtains a score of 0 on indicator III.10.4

If the score is greater than 0:

**III.10.4** In Your Opinion, To What Extent Do Public Authorities Enforce Existing Legislation Mandating Equal Survivor Benefits for Spouses in Practice?

Likert Scale	Scores (0-4)	Weighted Score (0-100)
Not at all enforced	0	0
Rarely enforced	1	25 multiplied by question score for I.10.4
Moderately enforced	2	50 multiplied by question score for I.10.4
Mostly enforced	3	75 multiplied by question score for I.10.4
Fully enforced	4	100 multiplied by question score for I.10.4